

SERFF Tracking Number:	ARKS-125540916	State:	Arkansas
Filing Company:	Farmers Insurance Exchange	State Tracking Number:	#3010561404 \$50
Company Tracking Number:	FAR0740-100010		
TOI:	04.0 Homeowners	Sub-TOI:	04.0003 Owner Occupied Homeowners
Product Name:	Homeowners		
Project Name/Number:	Next Generation/		

Filing at a Glance

Company: Farmers Insurance Exchange

Product Name: Homeowners

TOI: 04.0 Homeowners

Sub-TOI: 04.0003 Owner Occupied
Homeowners

Filing Type: Form

SERFF Tr Num: ARKS-125540916 State: Arkansas

SERFF Status: Closed

Co Tr Num: FAR0740-100010

Co Status:

Author:

Date Submitted: 03/05/2007

State Tr Num: #3010561404 \$50

State Status: Fees verified and
received

Reviewer(s): Becky Harrington,
Betty Montesi, Brittany Yielding

Disposition Date: 03/14/2008

Disposition Status: Approved

Effective Date (New):

Effective Date (Renewal):

Effective Date Requested (New):

Effective Date Requested (Renewal):

State Filing Description:

Next Generation Forms; SEE FARM-125527145 for rates.

General Information

Project Name: Next Generation

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 03/14/2008

State Status Changed: 03/12/2008

Corresponding Filing Tracking Number:

Filing Description:

New product for homeowners. See FARM-125527145 for rates/rules.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Company and Contact

Filing Contact Information

NA NA,

NA@NA.com

<i>SERFF Tracking Number:</i>	<i>ARKS-125540916</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Farmers Insurance Exchange</i>	<i>State Tracking Number:</i>	<i>#3010561404 \$50</i>
<i>Company Tracking Number:</i>	<i>FAR0740-100010</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0003 Owner Occupied Homeowners</i>
<i>Product Name:</i>	<i>Homeowners</i>		
<i>Project Name/Number:</i>	<i>Next Generation/</i>		

NA (123) 555-4567 [Phone]

NA, AR 00000

Filing Company Information

Farmers Insurance Exchange

4700 Wilshire Blvd

Los Angeles, CA 90010

(323) 964-8036 ext. [Phone]

CoCode: 21652

Group Code:

Group Name:

FEIN Number: 95-6016640

State of Domicile: Kansas

Company Type:

State ID Number:

SERFF Tracking Number: *ARKS-125540916*

State: *Arkansas*

Filing Company: *Farmers Insurance Exchange*

State Tracking Number: *#3010561404 \$50*

Company Tracking Number: *FAR0740-100010*

TOI: *04.0 Homeowners*

Sub-TOI: *04.0003 Owner Occupied Homeowners*

Product Name: *Homeowners*

Project Name/Number: *Next Generation/*

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

Per Company: No

SERFF Tracking Number: *ARKS-125540916*

State: *Arkansas*

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State Tracking Number: *#3010561404 \$50*

Company Tracking Number: *FAR0740-100010*

TOI: *04.0 Homeowners*

Sub-TOI: *04.0003 Owner Occupied Homeowners*

Product Name: *Homeowners*

Project Name/Number: *Next Generation/*

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Becky Harrington	03/14/2008	03/14/2008

SERFF Tracking Number: *ARKS-125540916*

State: *Arkansas*

Filing Company: *Farmers Insurance Exchange*

State Tracking Number: *#3010561404 \$50*

Company Tracking Number: *FAR0740-100010*

TOI: *04.0 Homeowners*

Sub-TOI: *04.0003 Owner Occupied Homeowners*

Product Name: *Homeowners*

Project Name/Number: *Next Generation/*

Disposition

Disposition Date: 03/14/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

<i>SERFF Tracking Number:</i>	<i>ARKS-125540916</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Farmers Insurance Exchange</i>	<i>State Tracking Number:</i>	<i>#3010561404 \$50</i>
<i>Company Tracking Number:</i>	<i>FAR0740-100010</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0003 Owner Occupied Homeowners</i>
<i>Product Name:</i>	<i>Homeowners</i>		
<i>Project Name/Number:</i>	<i>Next Generation/</i>		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	No
Supporting Document	ARKS-125540916	Approved	No

SERFF Tracking Number: ARKS-125540916

State: Arkansas

Filing Company: Farmers Insurance Exchange

State Tracking Number: #3010561404 \$50

Company Tracking Number: FAR0740-100010

TOI: 04.0 Homeowners

Sub-TOI: 04.0003 Owner Occupied Homeowners

Product Name: Homeowners

Project Name/Number: Next Generation/

Supporting Document Schedules

Unsatisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status:

Approved

03/14/2008

Comments:

Satisfied -Name: ARKS-125540916

Review Status:

Approved

03/14/2008

Comments:

Attachments:

ARKS-125540916 1.pdf
ARKS-125540916 2.pdf
ARKS-125540916 3.pdf
ARKS-125540916 4.pdf
ARKS-125540916 5.pdf
ARKS-125540916 6.pdf
ARKS-125540916 7.pdf
ARKS-125540916 8.pdf
ARKS-125540916 9.pdf
ARKS-125540916 10.pdf
ARKS-125540916 11.pdf

Effective January 1, 2006

ARKS-125540916

Property & Casualty Transmittal Document (Revised 1/1/06)

1. Reserved for Insurance Dept. Use Only

Approved until withdrawn or revoked

JUN 13 2007

Arkansas Insurance Department

By: *[Signature]*

2. Insurance Department Use only

a. Date the filing is received: *CH#3010561404*

b. Analyst:

c. Disposition: *\$50*

d. Date of disposition of the filing:

e. Effective date of filing:

New Business

Renewal Business

f. State Filing #: *ARK-07923880* *DIAP023386*

g. SERFF Filing #: *2007*

h. Subject Codes

RECEIVED

PROPERTY AND CASUALTY

ARKANSAS INSURANCE DEPARTMENT

3. Group Name			
Farmers Insurance Group, Inc.			
Group NAIC #			
0212			
4. CA	Domicile	NAIC #	FEIN #
Farmers Insurance Exchange	KS	21652	95-6016640

5. Company Tracking Number	FAR0740-100010
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	Fax #	e-mail
	Mina Villegas	Regulatory Filings Technician.	(323) 932-3116	(323) 932-3161	Mina.villegas@farmersinsurance.com
7.	Signature of authorized filer				
	<i>W. Villegas</i>				
8.	Please print name of authorized filer				
	Mina Villegas				

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Homeowners
10. Sub-Type of Insurance (Sub-TOI)	4.0 Homeowners
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	40001
12. Company Program Title (Marketing title)	Nest Generation Homeowners Policy
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other
14. Effective Date(s) Requested	7/1/2007 Renewal: 7/1/2007
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	3/5/2007
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Effective January 1, 2006

Property & Casualty Transmittal Document---

20. This filing transmittal is part of Company Tracking # FAR0740-100010

21. **Filing Description** [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

We respectfully submit for your review and approval a new homeowners product offering to be underwritten in the Farmers Insurance Exchange. Enclosed in this filing is the submission of our new contract and optional coverage endorsements, filed as a "New Program" in the Farmers Insurance Exchange only.

This product offers a customer-friendly, cost-effective, competitive insurance contract. We will offer this as our sole homeowners product to new business customers. We would like to make this policy available as soon as possible to serve our market, and therefore request an effective date of July 1, 2007 for New Business.

22. **Filing Fees** (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: Not available yet
Amount:

Filing fee checks will be sent via DHL on 1/16/2007.

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

PC TD-1 pg 2 of 2

Effective January 1, 2006

Effective January 1, 2006

FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms)
(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	FAR0740-100010				
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)					
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state	Flesch Score
01	Arkansas - Next Generation Homeowners Policy	56-5549 1 st Edition 9-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			40.1
02	Next Generation Homeowners Policy Declaration	56-5479 1 st Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			NA
03	Specified Business Pursuits Coverage Off Residence Premises Amending Section II - Liability Coverages E (Personal Liability) and F (Medical Payments to Others)	93-6226 2 nd Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			45.3
04	Business Pursuits Liability Endorsement - Insured as Employee	93-6229 2 nd Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			49.5
05	Additional Insured - Coverage A and B - Coverage E and F	93-6230 2 nd Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			45
06	Watercraft Liability	93-6231 2 nd Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			49.7
07	Home Child Care Services Endorsement	93-6232 1 st Edition 3-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			54.7
08	Modified Loss Settlement Endorsement	93-6234 2 nd Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			46
10	Increased Limits on Personal Property in Other Residences Coverage C	93-6237 1 st Edition 2-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			49.8
11	Certificate as to Evidence of Insurance and/or Additional Insured Endorsement	93-6238 2 nd Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			45.2
12	Specified Business Pursuits Coverage on Residence Premises Amending Section I - Property and Section II - Liability	93-6243 2 nd Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			46.7
13	Contract of Sale Clause	93-6244 1 st Edition 2-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			58.1

14	Loss Payable Clause Endorsement	93-6245 1 st Edition 3-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			58.1
15	Incidental Farm or Ranch Endorsement	93-6246 1 st Edition 3-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			48.1
16	Specific Limits on Separate Structures	93-6248 2 nd Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			46
17	Separate Structure Exclusionary Endorsement	93-6250 2 nd Edition 6-06 (J6250201)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			47
18	Separate Structure Exclusionary Endorsement	93-6250 2 nd Edition 6-06 (J6250211)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			47
19	Increased Special Limit on Cards and Comic Books – Coverage C	93-6251 1 st Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			62.2
20	Scheduled Personal Articles Endorsement	93-6252 1 st Edition 2-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			50.1
21	Course of Construction Endorsement – Reconstruction – New Construction	93-6253 2 nd Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			50.2
22	Increased Special Limits on Certain Personal Property	93-6254 1 st Edition 2-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			48.7
23	Endorsement Excluding Bodily Injury Caused by Animals	93-6256 1 st Edition 3-06 (6256101)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			52
24	Endorsement Excluding Bodily Injury Caused by Animals	93-6256 1 st Edition 3-06 (6256111)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			52
25	Premises Rented to Others for Sole Use as a Private Residence Coverage E (Personal Liability) Coverage F (Medical Payments to Others)	93-6257 1 st Edition 3-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			56.7
26	Endorsement Adding Personal Watercraft Coverage	93-6259 2 nd Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			45.4
27	Residence Glass – Waiver of Deductible Endorsement	93-6260 1 st Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			47.2
28	Basic Earthquake Endorsement Next Generation Homeowners Policy	93-6261 1 st Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			41.9
29	Separate Structures Rented to Others on the Residence Premises	93-6262 1 st Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			45.8

30	Sewer and Drain Water Damage Coverage Endorsement	93-6263 1 st Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			53.8
31	Physicians, Surgeons, Dentists and Veterinarians Away from Premises Endorsement (Section I only)	93-6264 1 st Edition 6-06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn			68.4

PC FFS-Effective January 1, 2006

Becky Harrington

From: brian.sniegowski@farmersinsurance.com
Sent: Wednesday, June 13, 2007 10:23 AM
To: Becky Harrington
Subject: Re: Farmers Insurance Exchange - 21652 - Next Generation Homeowner Form Filing - FAR0740-100010

Attachments: AR_EQ_Endorsement.pdf



AR_EQ_Endorsement.pdf (33 KB)

Hi Becky,

Attached is the updated EQ Endorsement document. We made the two changes (moved the deductible language and change the Personal Property to \$5K).

The only thing that will change will be the Endorsement number. After I receive your approval, I will submit the document to our IT folks. I will give you an updated copy when the Endorsement number is finalized.

The EQ Endorsement will be ready by the Next Gen's effective date of Oct.

1.

Thank you,

Brian

(See attached file: AR_EQ_Endorsement.pdf)

Brian Sniegowski
Home Product Management
Farmers Insurance Group
W: 323-964-8036
F: 323-932-3950

|-----+----->
	"Becky Harrington"
	<Becky.Harrington@ar
	kansas.gov>

05/30/2007 09:03 AM

To: <brian.sniegowski@farmersinsurance.com>
cc: <charlie_snyder@farmersinsurance.com>, "Bill Lacy" <Bill.Lacy@arkansas.gov>, "Lenita Blasingame" <lenita.blasingame@arkansas.gov>
Subject: Farmers Insurance Exchange - 21652 - Next Generation Homeowner Form Filing - FAR0740-100010

Brian,

Except for the Earthquake Endorsement issue, the changes made in your response dated May 17, 2007 are acceptable.

In our phone conversation Friday, May 25, you indicated you would consult with the IT Department regarding the delay in changing the EQ endorsement. If indeed it will take 6 months to make the necessary changes, I suggest that it be withdrawn from the current filing and re-filed when it is ready. I will not approve the EQ endorsement without the requested changes being made.

You also indicated a change in the effective dates.

We can complete the form filing as soon as I have your response.

Thanks,
Becky

**BASIC EARTHQUAKE ENDORSEMENT -
NEXT GENERATION HOMEOWNERS POLICY**

AR007
1st Edition

Policy Number: @@@@-@@-@@

Effective Date: @@-@@-@@@

For an additional premium, we cover direct physical loss or damage caused by **earthquake** to the following types of **SECTION I - PROPERTY**:

- Coverage A (**Dwelling**);
- Coverage B (**Separate Structures**);
- Coverage C (**Personal Property**);
- Coverage D (**Loss of Use**).

Coverage provided in **SECTION II - LIABILITY, EXTENSIONS OF COVERAGE, 4. Loss Assessment Coverage** applies to **earthquake**.

This endorsement does not increase the **stated limits** in the policy.

For purposes of this **earthquake** endorsement only, the definition of 11. **Earth movement** does not include **earthquake** including land shock waves or tremors before, during or after a volcanic eruption.

One or more **earthquake** shocks occurring within a *seventy-two hour* period will be considered a single **earthquake**.

Limits of Insurance

The Coverage B, C and D **stated limits** will not apply to loss caused by **earthquake**. Payment for loss caused by **earthquake** will not exceed the limits shown below:

Coverage A (**Dwelling**) will not exceed the Coverage A **stated limit** shown in the Declarations or renewal notice, whichever is more recent;

Coverage B (**Separate Structures**) - \$1,000;

Coverage C - (**Personal Property**) - \$5,000;

Coverage D (**Loss of Use**) - \$2,500, including a maximum of \$1,500 for **Additional living expense**.

SECTION II - LIABILITY, EXTENSIONS OF COVERAGE, 4. Loss Assessment Coverage - \$1,000.

For purposes of this **earthquake** endorsement only, **SECTION I - PROPERTY, UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE** is modified as follows:

A. Uninsured types of loss or damage:

- 6. **Breakage, impairment, corruption or failure of personal property** - the peril of **earthquake** is added as a covered cause of loss;
- 8. **Marring** - the peril of **earthquake** is added as a covered cause of loss;
- 12. **Movement, settling, cracking, bulging, shrinking, heaving or expanding** - the peril of **earthquake** is added as a covered cause of loss.

B. Excluded Causes of Loss or Damage, the following excluded causes of loss or damage do not apply to this **earthquake** endorsement:

- 1. **Earth Movement. Earth movement** does not include **earthquake**;
- 29. **Collapse. Collapse** does not include **earthquake**;
- 34. **Movement, settling, cracking, bulging, shrinking, heaving or expanding**. This exclusion does not include **movement, settling, cracking, bulging, shrinking, heaving or expanding** if the result of **earthquake**.

In **SECTION I - EXTENSIONS OF COVERAGE**, the following extensions of coverage do not apply to this **earthquake** endorsement:

2. **Extended replacement cost - Coverage A**
4. **Building ordinance or law.**

In **SECTION I - UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE**, the following language is added:

We do not cover loss:

1. Caused directly or indirectly by flood of any nature, waves, or tidal **water**, whether resulting from, contributed to or made worse by **earthquake**.
2. To exterior masonry veneer other than stucco. The value of exterior masonry veneer will be deducted before applying the deductible. For the purpose of this exclusion, stucco is not considered masonry veneer.



If this box is "X'd," exclusion 2 does not apply.

Deductible

For loss to Coverage A (**Dwelling**) property, we will only pay that part of the loss over @@@ % of the Coverage A (**Dwelling**) **stated limit** shown in the Declarations or renewal notice.

No deductible applies to loss covered under this endorsement for **SECTION I - Coverage D (Loss of Use)** or **SECTION II - LIABILITY, EXTENSIONS OF COVERAGE, 4. Loss Assessment Coverage**.

The policy deductible does not apply to coverage provided under this endorsement.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Becky Harrington

From: Becky Harrington
Sent: Wednesday, May 30, 2007 11:03 AM
To: brian.sniegowski@farmersinsurance.com
Cc: charlie_snyder@farmersinsurance.com; Bill Lacy; Lenita Blasingame
Subject: Farmers Insurance Exchange - 21652 - Next Generation Homeowner Form Filing - FAR0740-100010

Brian,

Except for the Earthquake Endorsement issue, the changes made in your response dated May 17, 2007 are acceptable.

In our phone conversation Friday, May 25, you indicated you would consult with the IT Department regarding the delay in changing the EQ endorsement. If indeed it will take 6 months to make the necessary changes, I suggest that it be withdrawn from the current filing and re-filed when it is ready. I will not approve the EQ endorsement without the requested changes being made.

You also indicated a change in the effective dates.

We can complete the form filing as soon as I have your response.

Thanks,
Becky

Becky Harrington

From: Becky Harrington
Sent: Wednesday, May 23, 2007 1:29 PM
To: brian.sniegowski@farmersinsurance.com
Cc: charlie_snyder@farmersinsurance.com; Bill Lacy
Subject: Next Generation Form Filing - FAR0740-100010 - Farmers Insurance Exchange - 21652

Brian,

I have reviewed your May 17, 2007 response regarding the form filing. I will need to discuss the changes with Bill before taking any action on the filing. He is out of the office until next week.

In the meantime, I have a question concerning the EQ endorsement. It seems that other language changes are easily made to the policy form. Why are the changes to the EQ endorsement more difficult to make than the revisions to the policy form? I am not inclined to approve the version that has been submitted with the filing and wait for a revision in 6 months.

Thanks,
Becky Harrington
Sr. Certified Analyst
Property & Casualty Division
(501) 371-2804
(501) 371-2748 fax
E-mail: becky.harrington@arkansas.gov



FARMERS

4700 WILSHIRE BLVD.
LOS ANGELES, CA 90010
(323) 964-8036
(323) 932-3950

www.farmersinsurance.com

May 17, 2007

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201

Attention: Ms. Becky Harrington
Certified Analyst
Property & Casualty Division



SUBJECT: Response to Objection Letter Dated April 25, 2007
HOMEOWNERS MODIFIED OPEN PERIL – NEW PROGRAM FILING –
NEXT GENERATION HOMEOWNERS POLICY
(Reference Number: FAR0740-100010)

Dear Ms. Harrington:

1. The earthquake endorsement provides a coverage limit for personal property that is far below that available through the Market Assistance Program (MAP). Companies are required to give notice of the availability of the MAP to insureds when coverage is not offered. A notice must be developed and submitted for approval that informs insureds of the specifics of Farmers' endorsement and the existence of the MAP.

Response: We will increase the coverage limit for personal property to \$5,000. We agree to inform the insureds about the specifics of Farmers' endorsement and the existence of the MAP.

2. Our request to move the deductible language from page 1 of the earthquake endorsement to the deductible clause of page 2 continues to be an outstanding issue.

Response: Although we believe the endorsement is fine, given your concerns, we will create a revised endorsement which will be formatted in accordance with your request. We will work to make this change a priority and we will file a revised form with your office. We would like to continue to offer the current endorsement until programming for the revised endorsement can be completed. We anticipate this will be accomplished within six months. Claims handling and coverage will not be affected. The Coverage A stated limits will apply, subject to the percentage deductible on page 1, and the Coverage B, C and D limits shown on page 1 will also apply.

3. The fungi/mold language of the policy remains noncompliant with Bulletin 10-2002. Specifically, "unless if by fire or lightning" must be removed and replaced with language that allows for coverage by all covered perils or causes of loss.

Response: We will remove this language from item 10. Fungi on page 23, and remove the reference to residence premises. The language will now read as follows:

We do not insure loss or damage consisting of, composed of or which is **fungi**. However if **fungi** is located upon covered property, which property must be repaired or replaced because of direct physical damage as the result of a covered loss, we will remove and dispose of any **fungi** on that covered property. Further, we do not insure any remediation or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation of fungi**.

4. Changes to the language of Section I - Property Coverage, Section I - Loss or Damage Insured and Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage have not alleviated our concerns with seemingly unnecessary repetitiveness language of simple language.

Response: We anticipate that the specificity of the language, and the examples provided, will allow any reader, whether a court or policyholder, to discern without question whether the policy provides coverage for a particular loss scenario. The clear, explicit and repeated language is unambiguous and allows our coverage intent to be easily inferred.

In that these provisions go to the heart of what is and what is not covered, we feel that any attempt to change this language could lead to misinterpretation of coverage. Other than the repetitive use of descriptive terms which must be used to define what a sentence relates to, such as "loss or damage", etc., each sentence conveys a distinct coverage statement which is important to understanding the overall coverage structure of the policy.

As our prior response pointed out, "when courts interpret policy language they use stricter standards." We are constantly reminded by courts when interpreting policy language that if we meant the policy to mean "xyz", then we should have stated "xyz". Therefore, we cannot eliminate any of these separate coverage concepts, or intentions.

However, in an attempt to address your concerns, we have eliminated some of the repetitive descriptors. We can replace the two paragraphs under Section I - Property Coverage, Section I - Loss or Damage Insured with the following language. Do you feel the following is clearer:

We insure accidental direct physical loss or damage to that property described in Section I - Types of Property Insured.

Loss or damage:

1. means distinct and demonstrable, actual physical injury to or destruction of the property;
2. does not include functional impairment or the loss of use of property unless the property has sustained distinct and demonstrable, actual physical injury or destruction;
3. does not include any decrease in the market value of the property, however measured or determined;
4. is caused by perils or causes of loss or damage; and
5. consists of certain types of loss or damage.

We do not insure covered property for the types or causes of loss or damage described in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage.

Very truly yours,

Brian Sniegowski
Fire Product Management

FARMERS NEXT GENERATIONSM HOMEOWNERS POLICY

Arkansas

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Arkansas law requires the following information be included with every policy of insurance.

Arkansas Insurance Dept., Consumer Services Division
1200 W. 3rd St., Little Rock, AR 72201-1904
Telephone 800-852-5494 or 501-371-2640

This policy is a legal contract between you (the policyholder) and us (the Company).
IT CONTAINS CERTAIN EXCLUSIONS.

READ YOUR POLICY CAREFULLY.

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INTRODUCTION

Property Coverage:

Under Section I, this policy insures different kinds of property; however, not all property is insured. This policy will not pay for all types of loss or damage or for all causes of loss or damage to covered property. Further, the amount we will pay for covered loss or damage is limited and coverage under this policy is subject to certain conditions. Coverage is dependent upon both the (1) cause of the loss or damage and (2) type of loss or damage.

If loss occurs, refer to Section I - Property Conditions, Duties after loss.

Liability Coverage:

Under Section II, this policy provides coverage for certain damages you become legally obligated to pay because of **bodily injury** or **property damage** resulting from an **occurrence**. If the Declarations or renewal notice indicates **personal injury** coverage applies, this policy provides coverage for certain **personal injuries**. Further, the amount we will pay is limited and coverage under this policy is subject to certain conditions.

If a claim should be made against you, refer to Section II - Liability Conditions, Duties after loss.

AGREEMENT

You agree to pay premiums when due and comply with all applicable terms of this policy. In return, we will insure you for the coverages and limits described except as otherwise indicated in the Declarations or renewal notice. This policy contains all the agreements between you and us. Except as provided herein, its terms, conditions, and exclusions may not be changed or waived except by endorsement issued by us.

ACCURACY OF INFORMATION AND CHANGED CIRCUMSTANCES

The Coverage A (**Dwelling**) **stated limit** is the most we will pay if your **dwelling** sustains a loss. The actual cost to replace the **dwelling** at the time of loss may be different. We do not guarantee that the **stated limit** represents the actual cost to replace the **dwelling**. You may have additional insurance as provided under Extensions of Coverage or by endorsement.

You agree by acceptance of this policy and payment of premium that all information you have provided to us is accurate. We may provide you with information about your **dwelling** or this insurance. You agree to cooperate in determining if all information is correct and complete. You agree to notify us within 60 days if any information is inaccurate, incomplete or changes. You agree that if any information changes or is determined by you or us to be incorrect or incomplete, we may, during the policy period, re-underwrite this insurance.

DEFINITIONS

Throughout this policy, "you" and "your" mean the "named insured" shown in the Declarations or renewal notice and your spouse or registered domestic partner under applicable state law if a resident of the same household with you. Any domestic partner must be registered prior to the date of a loss. "We," "us" and "our" refer to the company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **Actual cash value** - means replacement cost less deduction for physical deterioration and depreciation.

We may depreciate all replacement costs, including by way of example but without limitation costs of materials.

2. **Aircraft** - means any device used or designed for flight, including the **aircraft's** parts, accessories, or equipment. **Aircraft** does not include model or hobby **aircraft** not used or designed to carry people or cargo.
3. **Annual aggregate limit** - means the total we will pay for all covered **occurrences** combined which happen in each policy period. This limit applies regardless of the number of such **occurrences** or loss events, or **insureds** or claimants.
4. **Bodily injury** - under Section II - Liability Coverage, means physical harm to the body, including physical sickness or disease, to a person other than an **insured**. This includes required care, loss of services and death that results.

Bodily injury does not include:

- a. psychological injury or effect, including by way of example but not limited to fear, depression, humiliation, anxiety, anguish, shock or distress, unless it arises from actual physical harm to the body of a person;
- b. any sexually transmitted disease;
- c. Acquired Immune Deficiency Syndrome (AIDS), AIDS related Complex, Human Immunodeficiency Virus (HIV);
- d. any auto-immune disease;
- e. any viral, bacterial, fungal or parasitic infection; or
- f. any symptom, injury, condition, effect, illness or disease related to subsection a. through e. above, or resulting from a **noxious substance**. A symptom, injury, condition, effect, illness or disease includes by way of example but not limited to fatigue, insomnia, stomachaches, headaches or ulcers.

5. **Building structure** - means a fully enclosed structure with walls and a roof.
6. **Business** - means any full or part-time employment, trade, profession, or occupation, or a commercial, mercantile or industrial undertaking of an economic nature. It does not matter whether it is continuous or regular or is an **insured's** principal means of livelihood. Profit motive is irrelevant. **Business** does not include volunteer activities for a not-for-profit organization or public agency for which no money is received other than payment of expenses.
7. **Business property** - means property related to or used or intended for use in **business**. Frequent use of non-business property in or for a **business** or for **business** purposes will deem that property to be **business property**.
8. **Contamination** - means the actual, perceived or suspected existence, presence, proliferation or spread of any **noxious substance**, **nuclear substance**, **pathogen**, **fungus** or pollutant on, to, or in land, **water**, air, buildings, structures or personal property, either on or off the **residence premises**.
9. **Dwelling** - means the primary private residence **building structure** located on the **residence premises**. **Dwelling** does not include **separate structures**.
10. **Earthquake** - means shaking or trembling of the earth, whether caused by volcanic activity, tectonic processes or any other cause.
11. **Earth movement** - means any movement of earth, including by way of example but not limited to any type of soil or rock, or mixture of soil and rock, or fill, regardless of magnitude. Examples of **earth movement** include but are not limited to:
 - a. **earthquake**, landslide, debris flow or mudflow, all whether combined with, caused by or resulting from **water**;

- b. collapse, settling, cracking, shrinking, bulging, heaving, subsiding, eroding, sinking, rising, shifting, expanding, or contracting of surface or subsurface earth or fill, all whether combined with, caused by or resulting from **water** and all whether the **water** event is man-made or naturally occurring or is sudden and accidental or is constant, repeating, gradual, intermittent, steady or slow; and
 - c. volcanic activity, including eruption, explosion, lava flow and volcanic action.
12. **Fungus** or **fungi** - means any part or form of **fungus**, **fungi**, mold, mildew, spores, wet or dry rot, parasitic microorganisms, mycelial agent or fragment, scents, or mycotoxins. This includes any byproduct of any of the foregoing, whether germinated, whether forming a colony or infestation, whether aerosolized, and whether visible or not visible to the unaided human eye.
13. **Household appliance** - means:
- a. a common household device operated by gas or electric current. This includes by way of example but not limited to an air conditioning unit, heating unit, refrigerator, dishwasher, ice maker, clothes washer, water heater, disposal or dehumidifier, and any hoses directly attached thereto; and
 - b. a water softener or filtration system connected to the **residence premises plumbing system**, and any hoses directly attached thereto.
- Household appliance** does not include furniture, waterbeds, aquariums or sump pumps. A **household appliance** is not part of the **plumbing system**.
14. **Insured** - means:
- a. you;
 - b. permanent residents of your household who are:
 - (1) your relatives; or
 - (2) other persons under the age of 21 and in the care of any person named above in subsection a. or b. (1);
 - c. a student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (1) 24 and your relative; or
 - (2) 21 and in your care or the care of a person described in b.(1) above; and
 - d. under Section II - Liability Coverage, **insured** also means:
 - (1) any person or organization legally responsible for animals or watercraft covered under Section II - Liability Coverage which are owned by you, or anyone included in subsection a., b. or c. above. Any person or organization using or having custody of these animals or watercraft in the course of any **business** or without permission of the owner is not an **insured**;
 - (2) with respect to any vehicle covered as personal property under Section I of this policy:
 - i. any person while using or maintaining the vehicle while engaged in the employment of the **insured**; or
 - ii. any other person using the vehicle on an **insured location** with an **insured's** consent.
15. **Insured location** - means:
- a. the **residence premises**;
 - b. that part of any other premises, structures and grounds you use as a private residence and:
 - (1) which is shown on the Declarations or renewal notice; or
 - (2) which you acquire during the policy period for your use as a private residence;
 - c. any premises you use in connection with a premises described in subsections 15.a. or 15.b. above;
 - d. any part of a premises:
 - (1) not owned by an **insured**; and
 - (2) where an **insured** is temporarily residing;

- e. vacant land, other than farm land, owned by or rented to an **insured** and shown in the Declarations or renewal notice;
 - f. land owned by or rented to you on which a one or two family dwelling is being built as your private residence;
 - g. individual or family cemetery plots or burial vaults of an **insured**; and
 - h. any part of a premises occasionally rented to an **insured** for other than **business** use, but only when it is actually rented to the **insured**.
16. **Marring** - means any disfigurement, blemish, discoloration weathering or stretching, or the like, of or to covered property, including by way of example but not limited to scratching, scorching, denting, creasing, gouging, fading, staining, tearing or thinning.
17. **Motor vehicle** - means:
- a. any self-propelled vehicle or any self-propelled machine, whether operable or not, which is designed for movement on land or on land and in **water**, including by way of example but not limited to any type of automobile, hovercraft or air cushion vehicle;
 - b. parts, equipment, machinery, furnishings or accessories attached to or located in or upon such vehicle or machine described in subsection a. above; and
 - c. any trailer or semi-trailer which is being carried on, towed by, or hitched for towing by a vehicle or machine described in subsection a. above.
18. **Noxious substance** - means any hazardous, toxic, or contaminating solid, liquid, vaporous, gaseous or thermal substance which may cause or result in harm, destruction, damage or injury to the environment or any living thing, or to covered property, the **residence premises** or any other property.
- Noxious substances** include by way of example but are not limited to asbestos, silica, radon, fumes, odors, smoke from tobacco products, acids, alkalis, chemicals, carbon monoxide, oil, fuel, fuel oil, gasoline, lead, lead paint, polychlorinated biphenyls (PCBs), solvents or waste, including any residuals, other than commonly available cleaning products found in a residential household which are normally used for cleaning or maintenance of the **dwelling**. Waste includes materials which are to be or have been recycled, reconditioned or reclaimed.
- Noxious substances** does not include smoke or fumes from a hostile fire. A hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.
19. **Nuclear hazard** - means:
- a. a nuclear explosion, including shockwaves, and nuclear reaction and nuclear radiation;
 - b. the dispersal or spread of **nuclear substances** or nuclear radiation by any means. These include conventional explosion, fallout, or radioactive contamination, all whether controlled or uncontrolled or whether intended or accidental, however caused; and
 - c. the negligent, defective or improper design, construction, operation or maintenance of a nuclear facility or any facility which uses, handles, stores or processes **nuclear substances**.
- Nuclear hazard** is also intended to include any other act or omission which results in a **nuclear hazard**.
20. **Nuclear substance** - means any solid, liquid, vaporous, gaseous or thermal substance contaminated by or with nuclear radiation, or which gives off harmful levels of nuclear radiation.
21. **Occurrence** - under Section II - Liability Coverage, means an accident, including exposure to conditions, which occurs during the policy period, and which results in **bodily injury, property damage** or **personal injury** during the policy period. Repeated or continuous exposure to the same general conditions is considered to be one **occurrence**.
22. **Pathogen** - means any biological or microbial organism or substance which may cause or result in harm, destruction, damage, injury or disease to any living thing or to property. **Pathogens** include by way of example but are not limited to bacteria, bacterium, viruses, or any part or by-product of bacteria, bacterium or viruses, including bacterial or viral toxins.

23. **Personal injury** - under Section II - Liability Coverage, means an act or activity of an **insured** which takes place during the policy period which results in injury to another, other than an **insured**, from one or more of the following offenses:

- a. false arrest, wrongful imprisonment or detention;
- b. libel, slander, defamation of character; or
- c. malicious prosecution.

Personal injury does not include false arrest, wrongful imprisonment or detention in connection with or arising out of molestation, abuse or corporal punishment.

24. **Plumbing system** - means all potable **water** supply and distribution pipes, plumbing fixtures and traps, drainage and vent pipes, and building drains. This includes their respective joints, connections, receptors and potable **water** treating equipment and vents for same, any of which is within the property lines of the premises.

A **plumbing system** does not include any of the following:

- a. a shower pan;
- b. a roof drainage system, including by way of example but not limited to gutters, drain pipes and downspouts;
- c. a sump or sump pump or sump-pump well;
- d. a leach field or drainage channel; or
- e. that part of any system designed to remove or drain **water** away from the **residence premises** which part is on the **residence premises** but outside of the exterior of any **building structure**.

25. **Property damage** - under Section II - Liability Coverage means direct distinct and demonstrable, actual physical injury to or destruction of tangible property, including loss of use resulting from the distinct and demonstrable, actual physical injury to or destruction of the property.

Property damage does not mean:

- a. actual, threatened, feared, constructive or alleged diminution or loss of value or equity; or
- b. functional impairment or loss of use of property unless the property has sustained distinct and demonstrable, actual physical injury or destruction, including by way of example but not limited to conditions brought about by long or repeated use, mechanical breakdown, or malfunction.

26. **Remediate** - means to:

- a. (1) decontaminate, abate, treat, contain, isolate, remove, extract, clean, mitigate, neutralize, quarantine or detoxify;
- (2) monitor, evaluate, detect, investigate, test or measure for;
- (3) haul away or dispose of; or
- (4) respond in any way to, or assess the effects of

any **nuclear substance**, **noxious substance**, **pathogen**, **fungus**, or pollutant, or any **contamination**, whether on or off the **residence premises**; or

- b. remove, restore or replace any land, **water**, air, building, structure or personal property which is threatened with or has been affected, damaged, infested, polluted or injured by **contamination**.

27. **Residence employee** - means an employee of an **insured** who performs duties related to the ownership, maintenance or use of the **residence premises**. This includes employees who perform similar duties elsewhere for an **insured**. This does not include employees while performing duties related to a **business** of an **insured**.

28. **Residence premises** - means the **dwelling**, **separate structures** and grounds at the address shown on the Declarations or renewal notice.

29. **Separate structure** - means:

- a. those structures, including buildings, on the **residence premises** set apart from the **dwelling** by clear space or structures only connected to the **dwelling** by a fence, sidewalk, driveway, patio, decking or utility line or similar connection; and
- b. all fences, sidewalks, walkways, driveways, pools, pool cages, piers, wharfs, boat docks and spas on the **residence premises**, whether or not abutting or connected to the **dwelling**.

30. **Stated limit(s)** - means the dollar amounts stated as coverage limits on the Declarations or renewal notice for the different types of coverages.

31. **Water** - means **water** (H₂O) alone, whether in liquid, frozen, or vapor form, or any liquid, sewage or sludge which contains **water**, whether or not **contaminated** or combined with or containing other chemicals, particulates, microorganisms or impurities. **Water** includes but is not limited to rain, snow, sleet, slush, ice, dampness, vapor, condensation, moisture, steam and humidity.

32. **Water - reverse flow** - means the flow of **water** through any sewage, septic or drainage system, or a drain, drain line or drainage channel, or a sump or sump pump, or similar system designed to drain or pump **water** away from the premises when the flow of **water** is in the opposite or reverse direction from that which the system, drain line, channel, sump or pump was designed to drain or pump.

SECTION I - PROPERTY COVERAGE

SECTION I - LOSS OR DAMAGE INSURED

Coverage A (Dwelling), Coverage B (Separate Structures) and Coverage C (Personal Property)

We insure accidental direct physical loss or damage to that property described in Section I - Types of Property Insured.

Loss or damage:

1. means distinct and demonstrable, actual physical injury to or destruction of the property;
2. does not include functional impairment or the loss of use of property unless the property has sustained distinct and demonstrable, actual physical injury or destruction;
3. does not include any decrease in the market value of the property, however measured or determined;
4. is caused by perils or causes of loss or damage; and
5. consists of certain types of loss or damage.

We do not insure covered property for the types or causes of loss or damage described in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage.

SECTION I - TYPES OF PROPERTY INSURED

Coverage A (Dwelling)

We insure:

1. the **dwelling**. This includes wall-to-wall carpeting attached to the **dwelling**; and
2. material and supplies owned by you on or adjacent to the **residence premises** for use in construction of the **dwelling** or a **separate structure**.

Coverage B (Separate Structures)

We insure **separate structures**. This includes wall-to-wall carpeting attached to **building structures**.

We do not insure:

1. **separate structures** which are intended for use in **business** or which are actually used in whole or in part for **business** purposes by an **insured** or any other person; or

2. **separate structures** rented or held for rental to any person not a tenant of the **dwelling**, unless used solely as a private garage.

Coverage A (Dwelling) and Coverage B (Separate Structures)

We do not insure:

1. land or the value of land, including by way of example but not limited to the cost to restore, replace, repair or rebuild land. This includes land on which the **dwelling** or a **separate structure** is located. If a covered cause of loss or damage causes covered damage to the **dwelling** or a **separate structure** and to the land on the **residence premises**, we do not cover any increased cost to repair or replace the **dwelling** or **separate structure** because of damage to the land. Land includes trees, shrubs, plants and lawns on land. However, we do provide limited coverage for trees, shrubs, plants and lawns under Section I -Extensions of Coverage, Trees, shrubs, plants, and lawns; or
2. any type of warranty, service or maintenance contract covering property.

Coverage C (Personal Property)

We insure personal property owned or used by an **insured** anywhere in the world. At your request after a loss, we will also insure personal property:

1. owned by others while the property is on the part of the **residence premises** occupied by an **insured**. However, property of tenants not related to that **insured** is not covered; and
2. owned by and in the control of a **residence employee** while in the service of an **insured** anywhere in the world.

Special Limits On Certain Personal Property

Special limits of insurance apply to certain types of personal property. The limits shown below do not increase the Coverage C **stated limit**. The limit for each numbered group is the total limit for any one loss event for all property in that group. The lowest applicable special limit shall apply to personal property that falls into more than one group.

1. **Property usually located at an insured's residence other than the residence premises.**

15% of the Coverage C **stated limit** on personal property which is usually located at an **insured's** residence other than the **residence premises**. This aggregate limit shall apply to all personal property usually located at the **insured's** other residence, even if the property is also subject to one or more of the specific special limits following. This limit does not apply to personal property in a newly acquired principal residence for the first 45 days after moving begins.

2. **Jewelry, watches, precious and semi-precious stones, and furs.**

\$1,000 limit on any one article and \$5,000 total limit on theft of jewelry, watches, precious and semi-precious stones and furs, including articles for which fur represents the principal value. This applies even if such items are considered artwork or used as decoration.

3. **Firearms.**

\$3,000 limit on theft of firearms. This includes their scopes or mounts whether attached or not, and all other firearm related equipment and ammunition.

4. **Business property, other than electronic data processing equipment, media and data.**

Coverage for loss or damage to **business property**, other than computers, electronic data processing equipment, and accessories and recording or storage media used with the foregoing, is limited to:

- a. \$2,500 limit while on the **residence premises**; and
- b. \$500 limit while away from the **residence premises**.

5. Electronic data processing equipment, media and data.

- a. \$5,000 limit on computers and electronic data processing equipment and accessories and recording or storage media used with the foregoing, whether or not it is **business property**. Computers, electronic data processing equipment, and recording or storage media that cannot be replaced with other of like kind and quality on the current retail market is not covered.
- b. \$1,000 limit for the cost of replacing data stored on computers, electronic data processing equipment, personal electronic entertainment equipment, communications equipment, accessories, electronic media or recording or storage media. Data includes by way of example but is not limited to any type of software or text, image, video or audio files.

6. Money, gift certificates and cards, scrip and metals.

\$200 limit on money, gift certificates or cards, stored value cards, scrip, smart cards or any card used as money (other than bank issued credit or debit cards), bank notes, medals, coins, bullion, platinum, gold and silver other than gold ware and silverware. This includes collections of all such property.

7. Securities, deeds, valuable papers and stamps.

\$1,500 limit on securities, deeds, evidences of debt, letters of credit, notes other than bank notes, documents, manuscripts, passports, tickets, stamps and stamp collections. This limit includes the costs to research, replace or restore the information from the lost or damaged material.

8. Silverware, gold ware, platinumware and pewter ware.

\$3,000 limit on theft of silverware, gold ware, platinumware and pewter ware. This includes articles for which any such metal represents the principal value.

9. Imported rugs, carpets and tapestries.

\$5,000 any one article and \$10,000 total limit on theft of imported rugs, carpets and tapestries. This applies even if such items are artwork or decoration. Imported means made or manufactured in whole or in part outside of the United States.

10. Cards and comic books.

\$200 limit per trading or collectible card or comic book and \$2,500 total limit on all cards or comic books. This includes sports cards, game cards and trading cards of any kind.

11. Watercraft and windsurfers.

\$3,000 limit on watercraft and windsurfers. This includes their trailers, furnishings, equipment and outboard motors, which are not being carried on, towed by or hitched for towing by a **motor vehicle**.

12. Trailers.

\$1,500 limit on trailers not used with watercraft or windsurfers, which are not being carried on, towed by or hitched for towing by a **motor vehicle**.

13. Motor vehicle parts.

\$2,000 limit on **motor vehicle** parts, equipment, machinery, furnishings or accessories not attached to or located in or upon any **motor vehicle**.

SECTION I - TYPES OF PERSONAL PROPERTY NOT INSURED

We do not insure:

- 1. personal property separately described and specifically insured in this or any other policy;
- 2. any type of warranty, service or maintenance contract covering property;
- 3. any animals or creatures, including by way of example but not limited to mammals, birds, fish, reptiles, insects and spiders;
- 4. watercraft and windsurfers, including their trailers, furnishings, equipment and outboard motors while being carried on, towed by or hitched for towing by a **motor vehicle**;
- 5. trailers while being carried on, towed by or hitched for towing by a **motor vehicle**;

6. **motor vehicles**, however, we do cover:

a. a motorized golf cart not subject to **motor vehicle** registration:

- (1) while on the golf course and used for golfing purposes; or
- (2) while in a private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains the **residence premises**;

b. lawn, garden or farm equipment which is not designed for use on public roads and which is principally used on the **residence premises**;

c. recreational vehicles designed principally for off road recreational use that are only used on the **residence premises**, including by way of example but not limited to, all terrain vehicles; and

d. a motorized assisted living device designed to assist the disabled;

7. any sound, video, mapping, tracking or communications equipment or device or system designed for reproducing, detecting, receiving, transmitting, recording or playing data, maps, location, sound, videos or pictures, and designed only to be operated from the electrical system of any **motor vehicle**, motorized land conveyance, watercraft, camper or home trailer while such equipment, device or system is in, on, or installed in a **motor vehicle**, motorized land conveyance, watercraft, camper or home trailer. This equipment includes by way of example but not limited to: citizen band radios, radio or cellular telephones, radio transceivers, radio transmitters, two way mobile radios, scanning monitor receivers, radar or laser detectors, car radio receivers, tape or disc players or recorders, global positioning system devices and any accessories, antennas, tapes, discs, software, reels, cassettes, cartridges, carry cases or other devices used with such equipment, device or system;

8. **aircraft** or self-propelled missiles;

9. property located in that part of the **residence premises** which is regularly rented or held for rent to others;

10. property of an **insured** which is rented or is available for rent to others when it is away from the **residence premises**;

11. property of roomers, boarders or tenants not related to an **insured**;

12. **water**, electricity or gas; or

13. any property which is illegal for an **insured** to possess under federal or state law.

COVERAGE D - LOSS OF USE

The **stated limit** for Loss of use is the total limit for all Additional living expense, Loss of rents and Prohibited use coverages for any one loss event.

1. Additional living expense.

If covered accidental direct physical loss or damage to the **dwelling** makes the **dwelling** uninhabitable by you, we will reimburse you for the reasonable and necessary increase in living expense incurred by you. This coverage is for your household to maintain its normal standard of living it had at the time of the loss event. Reimbursement for additional living expense will be for the shortest time needed to (a) repair or replace the loss or damage to the **dwelling**, or (b) permanently relocate, but in no event for more than 24 months. Additional living expense that raises your standard of living will not be reimbursed. Upon our request, you must provide receipts for expenses incurred.

2. Loss of rents.

If covered accidental direct physical loss or damage to covered property makes that part of the **residence premises** rented to others or held for rental by you untenable, we cover the loss of rents less any expense that does not continue during the loss period. We pay for the shortest time needed to repair or replace the damaged property but in no event for more than 12 months. Loss of rents due to cancellation of a lease or agreement is not covered.

3. Prohibited use.

We provide Additional living expense or Loss of rents as described above for no more than two weeks if a civil authority prohibits you from use of the **residence premises** because of actual direct physical damage to a neighboring premises, which damage would have been covered under this policy if the damage had occurred to the **residence premises**. Prohibited use coverage does not apply to threatened damage.

The time periods in subsections 1, 2, and 3 above are not limited by cancellation, renewal or non-renewal of this policy.

No deductible applies to subsections 1, 2, and 3 above.

SECTION I - EXTENSIONS OF COVERAGE

We will insure you for the Extensions of Coverage as described below except as otherwise indicated in the Declarations or renewal notice. Unless otherwise stated, the following Extensions of Coverage are subject to all the policy terms, exclusions, deductibles, and conditions.

1. Limited water coverage.

- a. We provide limited coverage for direct physical loss or damage to covered property from direct contact with **water**, but only if the **water** results from:

- (1) the build-up of ice on portions of the roof or roof gutters on a **building structure**;
- (2) hail, rain, snow, or sleet entering through an opening in the roof or wall of a **building structure** only if the opening is first caused by damage from the direct force of the following:
 - i. fire;
 - ii. lightning;
 - iii. explosion (other than nuclear explosion);
 - iv. riot or civil commotion;
 - v. **aircraft** or vehicles;
 - vi. vandalism or malicious mischief;
 - vii. collapse of a **building structure** or structural part of the **building structure**;
 - viii. falling objects; or
 - ix. windstorm.

The foregoing specified causes of loss are subject to the terms and limitations set forth in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage, subsection B. Excluded Causes of Loss or Damage and in any other Extension of Coverage, for any such specified cause of loss or extension of coverage. A roof or wall does not include a temporary roof or wall structure or any kind of temporary tarp, sheeting or other covering.

- (3) the freezing of and a discharge, leakage or release of **water** as a result of the freezing from the **plumbing system**, heating, air-conditioning or automatic fire protection system or a **household appliance** within the **dwelling** or a **separate structure**. We only cover the **water** damage from freezing if you have used reasonable care to:
 - i. maintain heat in the **dwelling** or **separate structure**; or
 - ii. shut off the **water** supply and drain the **plumbing system**, other system or **household appliance** of **water**;
- (4) a sudden and accidental discharge, eruption, overflow or release of **water**, other than a **water - reverse flow**:
 - i. from within any portion of:
 - (a) a **plumbing system**;
 - (b) a heating or air conditioning system;
 - (c) an automatic fire protection system; or
 - (d) a **household appliance**; and

- ii. provided that the discharge, eruption, overflow or release of **water** occurs from a part or section of those items described in subsection (4) i. above that is located:
 - (a) above the surface of the ground on the **residence premises**; or
 - (b) within a **building structure**, including by way of example, within the basement or building's slab; or
- (5) a sudden and accidental discharge from any item described at subsection (4) i. above caused by the following specified causes of loss. The following specified causes of loss are subject to the terms and limitations set forth in Section I - Uninsured Loss or Damage and in Excluded Causes of Loss or Damage, subsection B. Excluded Causes of Loss or Damage and in any other Extension of Coverage, for any such specified cause of loss or extension of coverage:
 - i. fire;
 - ii. lightning;
 - iii. explosion (other than nuclear explosion);
 - iv. riot or civil commotion;
 - v. **aircraft** or vehicles;
 - vi. vandalism or malicious mischief;
 - vii. collapse of a **building structure** or structural part of the **building structure**;
 - viii. falling objects; or
 - ix. windstorm.
- b. The limited coverage for **water** damage described at subsection a. (4) above applies even if the sudden and accidental discharge, eruption, overflow or release of **water** is caused by:
 - (1) faulty, inadequate or defective planning, design, specifications, workmanship, maintenance, repairs, construction or materials;
 - (2) an inherent vice, latent defect in, or a quality in or of the system or **household appliance**, that causes it to damage or destroy itself;
 - (3) wear and tear or mechanical breakdown;
 - (4) corrosion, deterioration, decay or rust;
 - (5) animals or pests; or
 - (6) pressure by, push from or presence of any trees, shrubs, plants or lawn, or any root system from any trees, shrubs, plants or lawn.
- c. A sudden and accidental discharge, eruption, overflow or release of **water** does not include a constant or repeating gradual, intermittent or slow release of **water**, or the infiltration or presence of **water** over a period of time. We do not cover any **water**, or the presence of **water**, over a period of time from any constant or repeating gradual, intermittent or slow discharge, seepage, leakage, trickle, collection, infiltration or overflow of **water** from any source, even if from the usage of those items described in subsection a. (4) i. above, whether known or unknown to any **insured**.
- d. If **water** damage covered under subsection a. (4) above occurs on the **residence premises**, we will pay the reasonable cost of tearing out and replacing that part of a **building structure** actually necessary for you to gain access and repair that portion of the system or **household appliance** from which the **water** suddenly and accidentally discharged, erupted, overflowed or was released. Any costs incurred under this subsection are subject to the applicable **stated limit**.
- e. Under subsections a. (4) and (5) above, we do not cover loss or damage to any system or **household appliance** from which the **water** discharged, erupted, released or overflowed.
- f. We do not cover any loss or damage to a foundation, slab, concrete floor, concrete pad or patio or to a foundation wall, foundation fill, or to pavement, including by way of example but not limited to any resulting movement, settling, cracking, bulging, shrinking, heaving, erosion or expanding.
- g. This is not additional insurance and all loss or damage under this coverage is subject to the applicable Coverage A, B, or C **stated limit** or special limits of insurance.

2. **Extended replacement cost - Coverage A.**

We will pay you up to the Extended replacement cost **stated limit**, if necessary, to repair, rebuild or replace covered loss or damage to the **dwelling**.

For Extended Replacement Cost coverage to apply at the time of loss or damage to the **dwelling**, you must have complied with each of the following conditions, as applicable:

- a. you must have notified us within 60 days of any inaccuracy or change in any information you have provided us regarding the physical characteristics of your **dwelling**;
- b. you must have notified us within 60 days of any inaccuracy or change in any information we have provided to you regarding the physical characteristics of your **dwelling**;
- c. you must have notified us within 60 days of the start of any physical changes which costs or will increase the replacement cost of your **dwelling** by \$5,000 or more. This includes additions or remodeling; and
- d. you must actually repair, rebuild or replace the **dwelling**.

If you do not comply with conditions a., b., and c. above prior to covered direct physical loss or damage to the **dwelling** and with condition d. above after the direct physical loss or damage, then this coverage will not apply.

This is additional insurance. It will only apply if the Coverage A (**Dwelling**) **stated limit** is insufficient to repair, rebuild or replace covered loss or damage to the **dwelling** at the same location. If you do elect to rebuild at a different location, then any Extended replacement cost coverage available will only be based on the costs to repair, rebuild or replace the **dwelling** as if at the same location.

This coverage only applies to loss or damage to the **dwelling** excluding any increased costs from enforcement of any building ordinance or law. We will not consider any increased costs from enforcement of any building ordinance or law when we determine whether this coverage applies.

3. **Contents replacement cost - Coverage C.**

- a. If the Declarations or renewal notice indicates that Contents replacement cost coverage applies, then covered loss or damage to covered personal property, except for those types of personal property described in subsection c. below, will be settled at replacement cost without deduction for depreciation, but for no more than the smallest of the following:

- (1) any **stated limit** or other limit of insurance under this policy that applies to the property;
- (2) the replacement cost of that part of the property damaged for equivalent construction with materials of like kind and quality;
- (3) the amount actually and necessarily spent to repair or replace damage to the property; or
- (4) the loss to the interest of the **insured** in the property.

- b. We will pay no more than the **actual cash value** of the property at the time of loss until actual repair or replacement is completed. Except for those types of personal property described in subsection c. below, you may make a claim for any additional amount on a replacement cost basis. To do so the property must have been repaired or replaced in accordance with and subject to Section I - Property Conditions, Replacement cost settlement.

- c. Covered loss or damage to the following types of personal property, whether or not attached to buildings or any structure, will be settled as shown below in subsection d:

- (1) property which cannot be replaced;
- (2) property not in workable condition;
- (3) property, the age or condition of which has rendered it either obsolete or unusable for the purpose for which it was originally intended;
- (4) paintings, etchings, pictures, tapestries, art glass windows, or other bona fide works of art or rarity, historical value or artistic merit, including by way of example but not limited to valuable rugs, statuary, marble, rare books, manuscripts, bronzes, porcelains, rare glass or bric a brac;

- (5) antiques, including by way of example but not limited to furniture, metalware, tools, toys, and bric a brac;
 - (6) photographs or negatives, or articles whose age or history contribute substantially to their value, including by way of example but not limited to memorabilia, souvenirs, and collectibles and collector's items;
 - (7) a motorized golf cart not subject to **motor vehicle** registration:
 - i. while on the golf course and used for golfing purposes; or
 - ii. while in a private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains the **residence premises**;
 - (8) lawn, garden or farm equipment principally used on the **residence premises**;
 - (9) recreational vehicles designed principally for off road recreational use that are only used on the **residence premises**, including by way of example but not limited to, all terrain vehicles;
 - (10) any watercraft or camp, home or utility trailer not being towed or carried on a **motor vehicle**; and
 - (11) **motor vehicle** parts, equipment, machinery, furnishings or accessories not attached to or located in or upon any **motor vehicle**.
- d. The covered types of personal property shown above in c. will be settled for no more than the smallest of the following:
- (1) **actual cash value**;
 - (2) fair market value;
 - (3) any **stated limit** or other limit of insurance under this policy that applies to the property; or
 - (4) the amount actually and necessarily spent to repair or replace damage to the property.
- e. The Coverage C **stated limit** is the most we will pay regardless of the number of items of personal property which are involved in a loss event.
- f. We may repair or replace damaged property with equivalent like kind and quality property.
4. **Building ordinance or law.**
- We will pay for the increased costs that you actually and necessarily incur when you repair, rebuild or replace covered loss or damage because of or resulting from the enforcement of any governmental ordinance, code, regulation, order or law, hereinafter "building law". We will pay up to the percentage shown on the Declarations or renewal notice of the applicable Coverage A (**Dwelling**) or Coverage B (**Separate Structures**) **stated limit**. The building law must be in force at the time of your repair or replacement of the damaged property.
- a. The enforcement of the building law must require:
- (1) upgrades to or regulation of the construction, demolition, renovation, repair, or replacement of that part of the **dwelling** or a **separate structure** which has sustained covered loss or damage;
 - (2) the total demolition and regulation of the reconstruction of the undamaged part of the **dwelling** or a **separate structure** necessary to repair the damaged part of the **dwelling** or **separate structure** and to bring the undamaged part of the **dwelling** or **separate structure** into conformity with the building law;
 - (3) the renovation or replacement of the undamaged part of the **dwelling** or a **separate structure** necessary to complete the repair or replacement of that part of the **dwelling** or **separate structure** which has sustained the covered loss or damage; or
 - (4) modifications to any undamaged part of the **dwelling** or **separate structure** as a direct result of the covered loss or damage.
- b. We do not cover:
- (1) the loss in value to the **dwelling** or a **separate structure** due to the requirements of any building law;
 - (2) the cost to repair, replace, rebuild, stabilize or otherwise restore land;

- (3) the costs to comply with any building law which requires an **insured** or others to **remediate** the **dwelling** or a **separate structure**;
 - (4) the increased cost to repair or rebuild if the **dwelling** or **separate structure** is not intended for the same type of occupancy as the pre-loss event **dwelling** or **separate structure**;
 - (5) the increased cost to repair or rebuild the **dwelling** or **separate structure** until it is actually repaired or rebuilt.
 - (6) those increased costs of construction, renovation, repair or replacement that are a result of your failure to timely undertake repairs or replacement of loss or damage;
 - (7) the costs of demolition if you should fail to reasonably mitigate, repair or replace the loss or damage and as a result the **dwelling** or **separate structure** then becomes subject to demolition; or
 - (8) those costs of complying with any building law that you were required to comply with before the covered loss or damage and which building law you failed to comply with.
- c. If you should rebuild the **dwelling** or a **separate structure** at another location, then we will only pay under this coverage the increased costs that you would have incurred to repair, rebuild or replace the **dwelling** or **separate structure** at the same location.

This Building ordinance or law coverage is additional insurance.

5. **Debris removal.**

We will reimburse you for the reasonable and necessary expenses you incur to remove debris caused by or resulting from covered loss or damage.

If the amount of loss or damage, including reimbursable debris removal expense, exceeds the applicable Coverage A, B or C **stated limit** for the type of damaged property, we will reimburse you up to an additional 5% of the applicable **stated limit** for the excess reimbursable debris removal expense you have incurred. This is additional insurance which is excess of the applicable **stated limit**.

Debris removal does not include and we will not reimburse any expenses incurred by you or anyone acting on your behalf to:

- a. **remediate** any **contamination**; or
- b. remove, restore or replace any **contaminated** land, **water**, air, buildings, structures or personal property, either on or off the **residence premises**.

This coverage does not apply to any debris removal of any tree, shrub, plant or lawn, unless the tree, shrub, plant or lawn first damaged covered Coverage A or B property. Then the removal of the tree, shrub, plant or lawn will be included in this Debris removal coverage.

6. **Trees, shrubs, plants and lawns.**

Subject to the limitations set forth in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage, we cover trees, shrubs, plants and lawns on the **residence premises** for loss or damage resulting from the following perils:

- a. fire or lightning;
- b. explosion;
- c. riot or civil commotion;
- d. **aircraft** and vehicles, not owned or operated by any **insured**;
- e. vandalism and malicious mischief; and
- f. theft.

Property grown for **business** purposes is not covered.

The limit for this coverage, including any necessary debris removal, for any one loss event will not exceed 5% of the Coverage A **stated limit**. No more than \$750 will be paid for any one tree, shrub or plant. This coverage is additional insurance and is not subject to the Coverage A **stated limit**.

Except as provided therein, debris removal for trees, shrubs, plants and lawns is not covered under Section I - Extensions of Coverage, **Debris removal**.

7. Fire department service charge.

We will pay up to \$750 for fire department charges incurred when the fire department is called to save or protect covered property from covered loss or damage.

This coverage is additional insurance. It is not subject to the applicable Coverage A, B, or C **stated limits**.

No deductible applies to this coverage.

8. Emergency removal of property.

We pay for loss or damage from any cause to covered property:

- a. while being removed from a premises actually and imminently endangered by a cause of loss or damage which is not excluded under this policy; and
- b. while removed for not more than 30 days from the date of removal.

This is not additional insurance. All loss or damage under this coverage is subject to the applicable Coverage C **stated limit** or any Special Limits on Certain Personal Property.

9. Identity fraud.

- a. We will pay up to \$1,500 for loss sustained by an **insured** caused by any of the following:

- (1) a knowing transfer or use, without lawful authority, of a means of identification of an **insured**. The transfer or use must be with intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law;
- (2) theft or unauthorized use of a credit, debit or fund transfer card issued to that **insured**;
- (3) forgery or alteration of a check or other negotiable instrument made or drawn upon an **insured's** account; or
- (4) acceptance in good faith by an **insured** of counterfeit United States or Canadian paper money.

No deductible applies to this subsection a.

- b. We will reimburse up to \$28,500 for the costs and expenses identified below. For coverage to apply:

- (1) the costs or expenses must be the direct result of an act described in subsection a. which first commences during the policy period;
- (2) the act described in subsection a. must be reported to us within 90 days after the date of discovery; and
- (3) the costs or expenses must be incurred within 12 months after the date of discovery.

Reimbursable costs and expenses are:

- (1) costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors, credit agencies or card issuers that have required that such affidavits be notarized;
- (2) costs for certified mail to law enforcement agencies, credit bureaus, financial institutions or similar credit grantors or card issuer;
- (3) lost wages as a result of time taken off from work to meet with, or talk to; law enforcement agencies, credit agencies, card issuers and/or legal counsel, or to complete fraud affidavits, or to attend legal proceedings, up to a maximum payment of \$250 per day for a maximum of ten days;
- (4) loan application fees for re-applying for a loan(s) when the original application is rejected solely because the lender received incorrect credit information;
- (5) reasonable attorney fees incurred for:
 - i. defense of lawsuits brought against that **insured** by merchants, card issuers or their collection agencies;
 - ii. the removal of any criminal or civil judgments wrongly entered against that **insured**; and
 - iii. challenging the accuracy or completeness of any information in a consumer credit report; and
- (6) charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit bureaus, or card issuers to report or discuss any of the subsection a. loss events.

c. For subsection b., we will reimburse all costs or expenses up to \$28,500 that exceed \$100 in the aggregate. The additional duties of the **insured** after loss are to:

- (1) cooperate in the investigation of the covered event and provide receipts, bills or other records that support the **insured's** claim for reimbursement under this extension of coverage; and
- (2) immediately notify the police. As applicable, notify the issuer of the card, credit bureau, credit reporting agency, or credit grantor. Failure to comply with the terms and conditions of the reporting requirements of the grantor of credit will void coverage for any further loss after such failure.

d. Any act of or series of acts committed by any person(s) or in which any person(s) is involved or implicated is considered to be one loss event, even if a series of acts continues into subsequent policy periods.

e. We do not cover subsection b. loss or expense:

- (1) arising from or in connection with any **business** engaged in by any **insured**;
- (2) arising from any fraudulent, dishonest or criminal act by an **insured**, any person acting in concert with an **insured**, any authorized representative of an **insured**, or any **residence employee**, regardless of whether any of these act alone or in collusions with others; or
- (3) arising out of use of any card, identification or information by a resident of the **residence premises** or a relative of the **insured** which enables any of the activities in subsection a. above.

Regardless of the number of **insureds** or loss events, our total aggregate limit of insurance under this extension of coverage for loss, costs and expense for any policy period is \$30,000. The policy deductible does not apply to this coverage.

10. **Collapse of building structure or structural part of the building structure.**

We cover loss or damage to covered property caused by collapse of a **building structure** or any structural part of the **building structure**. The collapse must be a direct result of:

- a. weight of ice, snow, sleet or rain which collects on a roof;
- b. weight of persons, animals, contents or equipment; or
- c. defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

The collapse must be a sudden and accidental, actual and complete falling down or caving in of the **building structure** or of a structural part of the **building structure**. Substantial impairment of a **building structure** or structural part of a **building structure** without a sudden and accidental, actual and complete falling down or caving in is not a collapse. Collapse does not mean imminent or threatened collapse. Collapse does not include movement, settling, cracking, bulging, shrinkage, heaving or expansion, whether natural or otherwise, of the **building structure** or a structural part of the **building structure** unless an actual and complete falling down or caving in has occurred. Collapse coverage does not apply to **separate structures** which are not **building structures**.

This is not additional insurance. All loss or damage under this coverage is subject to the applicable Coverage A, B or C **stated limit** or any Special Limits on Certain Personal Property.

11. **Food spoilage.**

We will pay for the cost of loss or damage to contents in a refrigerator or freezer on the **residence premises** which thaws or spoils due to interruption of electrical utility service. The interruption must originate off the **residence premises**. This coverage is subject to the Coverage C **stated limit**.

12. **Artificially generated electrical current.**

We will pay for loss or damage caused by a sudden and accidental surge or decrease in artificially generated electrical current, whether on or off the **residence premises**, to any electrical components or wiring of or in covered personal property. We will pay no more than \$1,000 per loss for all personal property damaged per loss event.

13. Arson, burglary or vandalism and malicious mischief reward.

We will pay up to the amount specified below for information which leads to an arson, burglary or vandalism and malicious mischief conviction in connection with loss or damage to property covered by this policy:

- a. a \$5,000 limit for arson;
- b. a \$1,000 limit for burglary; and
- c. a \$500 limit for vandalism and malicious mischief.

In no event will the amount of the reward exceed the total amount of the loss or damage. We will pay no more than the highest limit for any one loss event. No limit shall be increased, regardless of the number of persons providing information for that loss, the number of claims being made for that loss or the fact that the loss may involve loss or damage to property under Coverages A, B and C.

No deductible applies to this coverage.

14. Lock re-keying.

We will reimburse you up to \$500 for expense you incur to re-key locks on exterior doors of the **dwelling** or a **separate structure** located on the **residence premises**, when the keys to those locks are part of a covered loss.

No deductible applies to this coverage.

SECTION I - UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE

A. Uninsured Types of Loss or Damage.

We do not insure property covered under this policy, provide Loss of Use coverage or extend coverage under any Extensions of Coverage, against any loss or damage consisting or composed of any of the uninsured types of loss or damage listed below, whether on or off the **residence premises**, however caused, except as may be stated otherwise.

Uninsured types of loss or damage are never covered regardless of whether any acts, omissions or decisions of any persons, group, organization or governmental body or any other cause of loss or event contributes concurrently or in any combination or sequence to cause the uninsured type of loss or damage, except as may be stated otherwise.

Uninsured types of loss or damage can occur in combination with insured loss or damage. If any uninsured type of loss or damage does occur in combination with or in sequence to insured loss or damage, the uninsured type of loss or damage is not covered. However, if a loss event involves both insured types of loss or damage and uninsured types of loss or damage, the insured types of loss or damage will be covered and the uninsured types of loss or damage will not be covered.

1. Water damage.

We do not insure loss or damage consisting of, composed of or which is **water** damage, except as covered under Section I - Extensions of Coverage, **Limited water coverage** and unless if by fire or lightning.

2. Nuclear damage.

We do not insure loss or damage consisting of or composed of nuclear radiation. Further, we do not insure any **remediation** of or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation** of nuclear damage.

3. Construction defect.

We do not insure loss or damage which is a construction defect in the **dwelling** or a **separate structure**, except as covered under Section I - Extensions of Coverage, **Collapse of building structure or structural part of the building structure** and unless if by fire or lightning.

4. Inherent vice or latent defect.

We do not insure loss or damage which is an inherent vice or latent defect in covered property.

5. **Contamination.**

We do not insure loss or damage consisting of, composed of or which is **contamination** unless if by fire or lightning. However, even if by fire or lightning, nuclear **contamination** is not insured. Further, we do not insure any **remediation** or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation** of any **contamination**.

6. **Breakage, impairment, corruption or failure of personal property.**

We do not insure loss or damage which is the breakage, impairment, corruption or failure of personal property, including any electronic or mechanical part of the personal property. However, we do insure breakage, impairment or failure of covered personal property which is directly caused by, arises out of or results from the following causes of loss, subject to the terms and limitations set forth in subsection B. Excluded Causes of Loss or Damage and in Extensions of Coverage, for any such cause of loss or extension of coverage:

- a. fire or lightning;
- b. windstorm or hail;
- c. smog, smudging or smoke (all if sudden and accidental);
- d. explosion (other than nuclear explosion);
- e. riot or civil commotion;
- f. **aircraft** or vehicles;
- g. vandalism or malicious mischief;
- h. collapse of a **building structure** or structural part of the **building structure**;
- i. theft;
- j. falling objects;
- k. weight of ice, snow or sleet which causes damage to personal property contained in a building; or
- l. **limited water coverage** as set forth in Extensions of coverage.

7. **Wear and tear or mechanical breakdown.**

We do not insure loss or damage which is wear and tear or mechanical breakdown, unless if by fire or lightning.

8. **Marring.**

We do not insure loss or damage which is **marring** of covered property. However, we do insure **marring** which is directly caused by, arises out of or results from the following causes of loss, subject to the terms and limitations set forth in subsection B. Excluded Causes of Loss or Damage and in Extensions of Coverage for any such cause of loss or extensions of coverage:

- a. fire or lightning;
- b. windstorm or hail;
- c. smog, smudging or smoke (all if sudden and accidental);
- d. explosion (other than nuclear explosion);
- e. riot or civil commotion;
- f. **aircraft** or vehicles;
- g. vandalism or malicious mischief;
- h. collapse of a **building structure** or structural part of the **building structure**;
- i. theft;
- j. falling objects;
- k. weight of ice, snow or sleet which causes damage to personal property contained in a building; or
- l. **limited water coverage**.

9. **Corrosion, deterioration, decay or rust.**

We do not insure loss or damage consisting of, composed of or which is corrosion, deterioration, decay or rust, unless if by fire or lightning.

10. **Fungi.**

We do not insure loss or damage consisting of, composed of or which is **fungi**. However, if **fungi** is located upon covered property, which property must be repaired or replaced because of direct physical damage as the result of a covered loss, we will remove and dispose of any **fungi** on that covered property. Further, we do not insure any **remediation** or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation of fungi**.

11. **Pathogen.**

We do not insure loss or damage consisting of, composed of or which is a **pathogen**, unless if by fire or lightning. Further, we do not insure any **remediation** or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation of a pathogen**.

12. **Movement, settling, cracking, bulging, shrinking, heaving or expanding.**

We do not insure loss or damage consisting of, composed of or which is the movement, settling, cracking, bulging, shrinking, heaving or expanding of any part of covered property, whether natural or otherwise. However, we do insure the movement, settling, cracking, bulging, shrinking, heaving, or expanding of any part of the **dwelling** or a **separate structure** which is directly caused by, arises out of or results from the following causes of loss, subject to the terms and limitations set forth in subsection B. Excluded Causes of Loss or Damage and in Extensions of Coverage for any such cause of loss or extensions of coverage:

- a. fire or lightning;
- b. windstorm or hail;
- c. explosion (other than nuclear explosion);
- d. **aircraft** or vehicles;
- e. fall of trees or limbs, including felling, topping or trimming of trees;
- f. falling objects; or
- g. collapse of a **building structure** or structural part of the **building structure**.

Movement, settling, cracking, bulging, shrinking, heaving or expanding of any part of covered property includes by way of example but not limited to foundations, foundation fill material, foundation piers, foundation beams, slabs, pads, patios, walls, floors, ceilings, roofs, roof structures, walks, driveways, pavements, curbs, fences, retaining walls, bulkheads, spas or swimming pools.

13. **Building ordinance or law.**

We do not insure the increased costs of enforcement of any governmental ordinance, code, regulation, order or law which requires upgrades to or regulates construction, demolition, renovation, repair, or replacement of the **dwelling** or a **separate structure**, except as provided in Section I - Extensions of Coverage, **Building ordinance or law**.

However, we do insure sudden and accidental direct physical loss or damage which results from order of governmental or public authorities to prevent the spread of a fire if the fire results from a cause of loss which would have been covered under this policy.

B. Excluded Causes of Loss or Damage.

Except as provided in section A. above, we do not insure property covered under this policy, provide Loss of Use coverage or extend coverage under any Extensions of Coverage for loss or damage directly or indirectly caused by, arising out of, or resulting from any of the excluded causes of loss or damage listed below, whether occurring on or away from the **residence premises**. Acts or omissions of persons or other causes or other events can cause, contribute to, combine with or aggravate any of the excluded causes of loss or damage to cause loss or damage. Loss or damage is not covered regardless of any acts, omissions or decisions of any persons, group, organization or governmental body or any other causes or other events which aggravate or contribute concurrently or in any combination or sequence with the excluded cause of loss or damage.

However, we do insure sudden and accidental direct physical loss or damage by fire, when the fire results from an excluded cause of loss or damage, except when the fire results from Governmental action, Failure to protect covered property, Destructive acts, **Nuclear hazard**, meteorites or Vandalism or malicious mischief or arson if the **dwelling** is vacant. We do insure loss or damage consisting of or composed of **water** damage that results from a covered fire.

1. **Earth movement.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from **earth movement**, whether the **earth movement** is the result of natural or man-made events or negligence.

2. **Water.**

Except as Section I -Extensions of Coverage, **Limited water coverage**, provides for limited coverage for **water** damage, we do not insure loss or damage directly or indirectly caused by, arising out of or resulting from **water**. By way of example, this exclusion includes but is not limited to:

- a. a **water - reverse flow**;
- b. flood, including debris flow and mud flow, any form of surface **water**, waves, tsunamis, seiche, tidal **water**, tidal waves, storm surge or overflow or escape of a body of **water**, or spray from any of these, whether or not driven by wind; or
- c. **water** from any source whatsoever above, on or below the surface of the ground, whether natural or otherwise.

This **water** exclusion applies even if **water** combines or contributes in any way with any other excluded cause of loss or damage hereunder to cause loss or damage, including by way of example but not limited to **fungi** or any **noxious substance**.

3. **Nuclear hazard.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from **nuclear hazard**.

4. **Neglect or lack of maintenance or failure to make repairs.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from neglect of property, or lack of maintenance or the failure to make repairs.

5. **Faulty, inadequate or defective planning, zoning, maintenance, repairs, manufacture or construction.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from faulty, inadequate or defective planning, zoning, development, surveying, siting, engineering, design, specifications, workmanship, maintenance, servicing, repairs, manufacture, construction, grading, compaction, or materials. The foregoing activities are excluded whether performed for, as part of the process of, or used in construction, remodeling, maintenance or repair of part or all of any property (including land, structures or any improvements), whether the property is on or off the **residence premises** and whether the property is insured under this policy.

However, see Extensions of Coverage, **Limited water coverage** for limited coverage for **water** damage.

6. **Inherent vice or latent defect.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from any inherent vice or latent defect in property or a quality in or of the property that causes it to damage or destroy itself, whether or not such defect or quality could have been discovered upon reasonable inspection.

However, see Extensions of Coverage, **Limited water coverage** for limited coverage for **water** damage.

7. **Contamination.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from **contamination**. Further, we do not insure any **remediation** or provide any coverage under Loss of Use or any Extensions of Coverage, directly or indirectly due to, arising out of, or resulting from **contamination**.

8. **Wear and tear or mechanical breakdown.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from wear and tear or mechanical breakdown.

However, see Extensions of Coverage, **Limited water coverage** for limited coverage for **water** damage.

9. **Corrosion, deterioration, decay or rust.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from corrosion, deterioration, decay or rust.

However, see Extensions of Coverage, **Limited water coverage** for limited coverage for **water** damage.

10. **Fungi.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from **fungi** or the discharge, dispersal, migration, release or escape of any **fungi**, whether combined with, caused by, or resulting from **water**. Further, we do not insure any **remediation** or provide any coverage under Loss of Use or any Extensions of Coverage directly or indirectly due to, arising out of, or resulting from **remediation** of **fungi**.

11. **Noxious substance.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from any **noxious substance** or the discharge, dispersal, seepage, migration, release or escape of any **noxious substance**. This exclusion applies whether the **noxious substance** was used legally, normally or intentionally for the purpose for which it was intended and whether its use was confined within the general area of its intended use. Further, we do not insure any **remediation** or provide any coverage under Loss of Use or any Extensions of Coverage directly or indirectly due to, arising out of, or resulting from **remediation** of any **noxious substance**.

12. **Pathogen.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from any **pathogen** or the discharge, dispersal, migration, release or escape of any **pathogen**. Further, we do not insure any **remediation** or provide any coverage under Loss of Use or any Extensions of Coverage directly or indirectly due to, arising out of, or resulting from **remediation** of a **pathogen**.

13. **Building ordinance or law.**

Except as otherwise provided in Section I - Extensions of Coverage, **Building ordinance or law**, we do not insure loss or damage directly or indirectly caused by, arising out of or resulting from the enforcement of any ordinance or law which requires upgrades to or regulates the construction, demolition, renovation, repair or replacement of the **dwelling** or a **separate structure**.

14. **Governmental action.**

a. We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from the confiscation, seizure, quarantine, damage or destruction of or injury to your property by any governmental authority or order of governmental authority. This exclusion applies even if:

- i. the governmental authority mistakenly believes it has the right to engage in the conduct;
- ii. the confiscation, seizure, quarantine, damage or destruction is sustained by property not intended or expected by the governmental authority;
- iii. the damage is different or greater or of a different quality than that intended or expected by the governmental authority;

- iv. the governmental authority did not understand that confiscation, seizure, quarantine, damage or destruction may result; or
 - v. the confiscation, seizure, quarantine, damage or destruction is incidental to policing activity of the governmental authority.
- b. However, we do insure direct physical loss or damage caused by acts of confiscation, seizure, quarantine, damage or destruction of your property by any governmental authority or order of governmental authority:
- i. taken at the time of a fire to prevent its spread, if the fire would be otherwise covered under this policy; or
 - ii. if, subject to the Destructive Acts Exclusion, the confiscation, seizure, quarantine, damage or destruction is incidental to policing activity of a governmental authority and is directly caused by or results from the activities of a person who is not an **insured**.
15. **Power interruption.**
We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from the interruption of power or other utility service which originates off the **residence premises**, except as provided in Section I - Extensions of Coverage, **Food spoilage coverage**.
16. **Artificially generated electrical current.**
We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from a sudden and accidental surge from or increase or decrease in artificially generated electrical current to any electronic components or wiring of or in personal property, except as provided in Section I - Extensions of Coverage, **Artificially generated electrical current**.
17. **Failure to protect covered property.**
We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from the failure or neglect of an **insured** to use all reasonable means to mitigate or abate covered loss or damage or to protect covered property at and after the time of loss or damage, or when property is endangered by a covered cause of loss or damage.
18. **Destructive acts.**
We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from any destructive act directed against civilian, military or governmental personnel or property by any domestic or foreign person(s), organization(s), entity or entities, government or any quasi-governmental body. This exclusion includes by way of example but not limited to war, undeclared war, civil war, insurrection, seizure, rebellion and revolution, all whether or not by military or paramilitary personnel, and including any direct or indirect consequence of these, including **contamination**. This exclusion applies even if the loss or damage is sustained by property not intended or expected.
This exclusion does not include acts of vandalism or malicious mischief.
19. **Theft.**
We do not insure for theft:
- a. from a **dwelling** that is under construction, until after the construction has been completed and when the **dwelling** is occupied by an **insured**;
 - b. from a **dwelling** that is undergoing remodeling or renovation unless the **dwelling** is occupied by an **insured**;
 - c. from the **residence premises**, if the **dwelling** has been vacant for a period of more than 30 days prior to the theft. The **dwelling** will be deemed vacant if all legal occupants have moved from the **dwelling** and a predominant amount of the personal property has been removed from the **dwelling**;
 - d. committed by any **insured** or at the direction of an **insured**;
 - e. committed by any person regularly residing at an **insured location**. However, theft committed by a **residence employee** is covered;
 - f. from any part of a **residence premises** rented to others;

- g. of property from any other premises owned, occupied by or rented to any **insured** unless an **insured** is temporarily residing there at the time of the theft. Property of a student **insured** is covered at a residence away from the **residence premises** if the student has been at the residence any time 45 days before the theft;
- h. of watercraft, campers or trailers and their equipment, furnishings and outboard motors when off the **residence premises**; or
- i. of property while off the **residence premises** and unattended in any **motor vehicle** or trailer, other than a public conveyance, unless all its doors, windows and other openings are closed and locked and there are visible marks of forcible entry. Property is not unattended when an **insured** has entrusted the keys of the vehicle to a custodian; or
- j. of building materials and supplies while off the **residence premises**.

Theft includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

Theft does not include mysterious disappearance of property, a shortage of property or property taken by someone who claims a right to such property under a written or oral agreement with any **insured** unless a court of law rules that a theft did occur. To be covered under this policy, any theft must be immediately reported to the local police.

20. Mysterious disappearance.

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from mysterious disappearance of property. Mysterious disappearance is an unexplained loss of property, including by way of example but not limited to losing or misplacing property.

21. Vandalism or malicious mischief or arson if the dwelling is vacant.

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from:

- a. vandalism or malicious mischief if the **dwelling** has been vacant beyond a period of 30 days; or
- b. arson if the **dwelling** has been vacant beyond a period of 60 consecutive days.

The **dwelling** will be deemed vacant if all legal occupants have vacated the **dwelling** and a predominant amount of the personal property has been removed from the **dwelling**. A **dwelling** under construction is not considered vacant. A **dwelling** is not considered under construction if it has already been built and is being remodeled or renovated. A **dwelling** will be considered occupied only if it is with your knowledge and approval.

22. Animals or pests.

We do not cover the cost to remove and we do not insure loss or damage directly or indirectly caused by, arising out of or resulting from animals or other pests, including by way of example but not limited to bats, rats, mice and other rodents, bees, termites and moths, vermin, birds, fish, reptiles, insects and spiders.

However, see Extensions of Coverage, **Limited water coverage** for limited coverage for **water** damage.

23. Smog, smudging or smoke.

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from smog, smudging or smoke:

- a. from the manufacturing of controlled substances, or from legal or illegal commercial, manufacturing, industrial or agricultural operations, whether on or off the **residence premises**; or
- b. which originates on the **residence premises**, unless the smog, smudging or smoke is sudden and accidental.

24. Pressure by trees, shrubs, plants or lawns.

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting pressure by, push from or presence of (1) any trees, shrubs, plants or lawn, or (2) any root system from any trees, shrubs, plants or lawn.

However, see Extensions of Coverage, **Limited water coverage** for limited coverage for **water** damage.

25. **Soil conditions.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from any condition of soil including by way of example but not limited to corrosion, erosion, chemicals, compounds, elements, formation of crystals, suspensions or gels of or in the soil, or saturation of the soil.

26. **Windstorm or hail.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from windstorm or hail:

- a. to personal property covered under this policy contained in a **building structure** caused by sand or dust unless the direct force of wind or hail first damaged the **building structure** causing an opening in a roof or outside wall and then sand or dust enters through this opening and causes the loss or damage to the personal property;
- b. to watercraft and windsurfers, including their trailers, furnishings, equipment and outboard motors, unless inside a fully enclosed **building structure** at the time of loss or damage; or
- c. to cloth awnings, greenhouses and their contents, radio and television towers, masts and antennas, including lead-in wiring, and wind chargers and windmills.

27. **Aircraft or vehicles.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from **aircraft** or vehicles unless such loss or damage is caused by or results from direct, actual physical contact by an **aircraft**, or any refuse from an **aircraft**, or a vehicle with covered property or with a building or other structure containing the covered property.

28. **Falling objects.**

- a. We do not insure loss or damage to covered property caused by or resulting from objects which fall as a result of any cause of loss or damage excluded in this policy.
- b. We do not insure loss or damage to personal property contained in a **building structure** caused by:
 - i. a falling object, unless the direct force of the falling object first damages the roof or an outside wall of the **building structure**; or
 - ii. sand or dust, unless the direct force of a falling object first damages the roof or an outside wall of the **building structure** and then sand or dust enters through this opening and causes the loss or damage to personal property.
- c. We do not insure loss or damage to covered property caused by or resulting from meteorites.

Loss or damage to the falling object itself is not covered.

29. **Collapse.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from collapse. However, we do provide limited coverage for collapse of a **building structure** or any structural part of a **building structure** in Section I - Extensions of Coverage, **Collapse of building structure or structural part of the building structure.**

30. **Sales or transfers of property.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from any type of sale or transfer of real or personal property, including by way of example but not limited to internet transactions, conversion, fraud or other deceptive practices.

31. **Pollution.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from pollution. Further, we do not insure any **remediation** or provide any coverage under Loss of Use or any Extensions of Coverage directly or indirectly due to, arising out of, or resulting from **remediation** of pollution.

This exclusion does not apply to loss or damage caused by smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

32. **Refinishing, renovating, repairing, restoring or retouching of personal property.**

We do not insure loss or damage to covered personal property directly or indirectly caused by, arising out of or resulting from the refinishing, renovating, repairing, servicing, restoring or retouching of such personal property.

33. **Weather conditions.**

We do not insure loss or damage directly or indirectly caused by, arising out of, or resulting from a weather condition if the weather condition contributes to or combines with any cause of loss or damage excluded under this policy to cause loss or damage.

34. **Movement, settling, cracking, bulging, shrinking, heaving or expanding.**

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from the movement, settling, cracking, bulging, shrinking, heaving or expanding of any part of the **dwelling** or any other structure, whether or not resulting from natural events.

35. **Malfunction or failure of software or a computer system.**

We do not cover loss or damage directly or indirectly caused by, arising out of or resulting from the malfunction or failure of software or a computer system, whether or not a result of error or malicious activities.

36. **Extremes of temperature.**

We do not insure loss or damage directly or indirectly caused by arising out of or resulting from extremes of temperature, including freezing, except as provided in Extensions of Coverage, **Limited water coverage**.

SECTION I - PROPERTY CONDITIONS

1. **Limits of insurance.**

- a. The **stated limits** or any other applicable limits of insurance in this policy are the maximum amounts we will pay for covered loss or damage. You are responsible for selecting the **stated limits**.
- b. Subject to **stated limits**, with each covered loss or damage to the **dwelling** or any **separate structure**, the amount of insurance coverage applicable to that structure will be reduced by the estimated amount of the loss or damage until reconstruction or repairs are actually made. Except as otherwise provided in this policy, any endorsement attached hereto, or any renewal hereof, as reconstruction or repairs are made, the amount of insurance coverage for that structure will be reinstated up to the applicable **stated limit**.

2. **Insurable interest.**

Subject to the terms for settling loss, if more than one person has an insurable interest in the covered property, the most we will pay is an amount equal to the **insured's** interest.

3. **Duties after loss.**

In case of covered loss or damage to property, it is your responsibility to:

- a. give prompt written notice to us or our agent without unnecessary delay. In case of theft, you must also immediately notify the police. In case of loss under Section I - Extensions of Coverage, **Identity fraud**, unauthorized use of a credit card, debit card, fund transfer card, forgery, or acceptance of counterfeit money, you must also immediately notify the police, and as appropriate, the issuer of the card, credit bureau, credit reporting agency, and the credit grantor;
- b. protect the property from further damage. You should make any reasonable and necessary emergency repairs or perform loss mitigation needed to protect the property from further damage. See Section I - Property Conditions, Emergency services following. Failure to perform emergency repairs or loss mitigation may result in continuing or secondary damages which may not be covered under this policy. Keep records and receipts of your costs;

- c. make a list of all damaged or destroyed personal property showing in detail the quantity, description, **actual cash value**, replacement cost, age and amount of loss. Attach all bills, receipts and related records that support your figures;
- d. cooperate with our investigation of the loss or damage and our verification of any repairs or replacement of the damaged property;
- e. as often as we reasonably require:
 - (1) exhibit the damaged property or provide us and our representatives access to the damaged property;
 - (2) provide us with records, documents and other information we may request, and permit us to make copies. This includes by way of example but not limited to banking records, asset, debt and income information, records and documents, credit history and other financial records, prior insurance losses with us or other insurers, or receipts for property damaged, if obtainable;
 - (3) submit to examinations under oath by us at such times and places as we reasonably designate. We may require the examinations to be conducted separately and apart from any other person defined as you or **insured**. Each examinee must sign a transcript of his or her examination. Submission to a requested examination(s) under oath is a condition precedent to recovery under this policy. Our denial of your claim shall not act as a waiver of our right to examinations under oath; and
 - (4) produce representatives, employees, members of your household or others for interviews or examinations under oath to the extent it is within your power to do so; and
- f. send us within 60 days after our request, your signed, sworn statement showing:
 - (1) date, time, location and cause of loss or damage;
 - (2) interest of all **insureds** and all others in the property involved;
 - (3) all legal claims against the property involved including lienholders;
 - (4) all other insurance and any warranty, service or maintenance contract which may cover the loss or damage (see Other insurance condition following);
 - (5) all information we request to investigate the claim;
 - (6) changes in title or occupancy of the property;
 - (7) specifications and detailed repair estimates of any damaged structure;
 - (8) a list of stolen, damaged or destroyed personal property described in subsection 3.c. above;
 - (9) receipts and records that support additional living expenses and loss of rents; and
 - (10) evidence which states the amount and cause of loss to support a claim under Extensions of Coverage, **Identity fraud** coverage.

To the extent an **insured**, other than you, is a direct beneficiary of coverage under this policy, that **insured** shall also be responsible for complying with the duties and responsibilities set forth in this policy respecting loss or damage, including examinations under oath and production of information requested by us.

4. **Emergency services.**

In the event your covered property sustains covered loss or damage, you should protect the property from further damage. You should make any reasonable and necessary emergency repairs or perform loss mitigation needed to protect the property from further damage (hereinafter "emergency services"). We will reimburse the reasonable costs you incur for necessary emergency services for covered loss or damage to mitigate or abate the cause of the loss or damage.

This is not additional insurance. Expenses incurred for emergency services are subject to the applicable Coverage A, B or C **stated limit** and any Special Limits on Certain Personal Property that apply to the property. Emergency services do not include mitigation or abatement of non-covered loss or damage, including by way of example but not limited to **remediation** of any **nuclear substance**, **noxious substance**, **pathogen**, **fungus**, or pollutant, or any **contamination**.

If you report loss or damage to covered property and if you have not already performed reasonably necessary emergency services, we may at our sole discretion assist you in obtaining such emergency services prior to our determination as to whether the loss or damage is covered under this policy. Although we are not obligated to do so, we may advise you of or we may dispatch an independent contractor to perform such emergency services. However, you are responsible for contracting for such emergency services with the independent contractor. You have the right to reject the independent contractor providing such emergency services at any time. The provision of such emergency services will not prejudice our right to later deny coverage for any loss or damage.

It is solely your responsibility to direct or manage the activities of any independent contractor providing emergency services. We do not assume liability arising from any repair, attempted repair or from any loss mitigation.

5. How we settle covered loss.

a. Coverage A (**Dwelling**) and Coverage B (**Separate Structures**).

- (1) Settlement for covered loss or damage to the **dwelling** or **separate structures**, except for the types of property described at subsection (2) below, whether or not fastened to the **dwelling** or **separate structure**, will be settled at replacement cost, without deduction for depreciation, but for no more than the smallest of the following:
 - i. the applicable **stated limit** or other limit of insurance under this policy that applies to the damaged or destroyed **dwelling** or **separate structure(s)**;
 - ii. the replacement cost of that part of the **dwelling** or **separate structure(s)** damaged for equivalent construction with materials of like kind and quality and for the same occupancy and use as on the **residence premises**;
 - iii. the amount actually and necessarily spent to repair or replace damage to the **dwelling** or **separate structure(s)** intended for the same occupancy and use; or
 - iv. the loss to the interest of the **insured** in the property.

When the cost to repair or replace damaged property is more than \$2,500, we will pay no more than the **actual cash value** of the loss until actual repair or replacement is completed.

- (2) Loss settlement for fences, decks and above ground swimming pools will be settled at **actual cash value**, but for no more than the smallest of the following:
 - i. the **stated limit** or other limit of insurance under this policy that applies to the damaged or destroyed fence, deck or above ground swimming pool; or
 - ii. the loss to the interest of the **insured** in the property.

b. Coverage C (Personal Property).

Unless Section I - Extensions of Coverage, **Contents Replacement Cost** coverage applies, covered loss or damage to personal property will be settled for no more than the smallest of the following:

- (1) **actual cash value**;
- (2) fair market value;
- (3) any **stated limit** or other limit of insurance under this policy that applies to the property; or
- (4) the amount actually and necessarily spent to repair or replace damage to the property.

The Coverage C **stated limit** is the most we will pay regardless of the number of items of personal property which are involved in a loss event.

6. **Replacement cost settlement.**

For any loss to property which may be settled on a replacement cost basis, you have 12 months from the date of our first payment toward **actual cash value** to make a claim for any additional amounts due for replacement cost settlement. The property must be actually repaired or replaced to make a claim for replacement cost.

7. **Other insurance.**

This insurance is excess of any other insurance covering the same property. If property sustains loss or damage covered by the other insurance, we will pay only the portion of the loss covered under this policy that is in excess of the limit of insurance that applies under the other insurance. For purposes of this provision, other insurance includes any type of warranty or service or maintenance contract.

If insurance is issued by us or any other member company of the Farmers Insurance Group of Companies covering the loss or damage, the loss or damage will only be payable under the single policy providing the highest limit of insurance.

8. **Deductible clause.**

We pay for loss or damage when a covered loss exceeds the deductible(s) amount applicable to the property. The deductible(s) applies separately to each loss or damage event. All limits of insurance, including special limits, will be applied after application of the appropriate deductible(s) to the loss or damage.

9. **Loss or damage to a pair or set.**

We may elect to:

- a. pay for the repair or replacement of any part of the pair or set to restore it to its value before the loss or damage; or
 - b. pay the difference between the **actual cash value** of the property before and after the loss or damage.
- Loss or damage to a part does not mean a total loss or damage of the pair or set.

10. **Appraisal.**

If you and we fail to agree on the amount of loss or damage or the **actual cash value** of such loss, either one may make a written demand for appraisal. However, an appraisal will take place only if both you and we agree, voluntarily, to have the loss appraised. Each party will choose a competent and disinterested appraiser and notify the other of the appraiser's name within 20 days after the demand is received. The appraisers will choose a competent and disinterested umpire. If the appraisers cannot agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the judicial district where the **residence premises** is located to choose an umpire.

The appraisers will then set the amount of loss or damage, stating separately the **actual cash value** for each item of property. If the appraisers submit a written agreement to us, the agreed amount will be the amount of loss or damage and **actual cash value**. If the appraisers cannot agree, they will submit their differences to the umpire. A written agreement signed by any two will set the amount of loss or damage and **actual cash value**. Each party will pay the appraiser it chooses. The umpire and all other expenses of the appraisal will be paid equally by you and us. However, any such decision will not restrict your right to bring legal action against us.

11. **Vacancy.**

Vacancy of the **residence premises** will affect coverage as provided in this policy.

12. **Intentional acts, criminal acts, and fraud.**

We do not provide coverage for loss or damage if any **insured** has before or after the loss or in relation to any insurance provided in this policy:

- a. concealed or misrepresented any material fact or circumstance;
- b. intentionally caused or arranged for the loss or damage;
- c. directly or indirectly caused the loss or damage while engaged in committing or concealing a felony;

- d. engaged in fraudulent conduct; or
- e. made material false statements.

We do not provide coverage for loss or damage from a criminal act committed by or at the direction of an **insured** if the loss that occurs may be reasonably expected to result from such an act, or is the intended result of such an act. This applies regardless of whether or not the **insured** is actually charged with or convicted of a crime

13. Suit against us.

No suit or other action can be brought against us, our agents or our representatives unless there has been full compliance with all the terms of this policy, including submission to requested examinations under oath. Suit on or arising out of the Section I - Property Coverage of this policy must be brought within the time allowed by law.

14. Loss adjustment and payment.

We will adjust all losses with you. We will pay you unless another payee or lienholder is named in the policy, in which case we will pay as interests appear. We will pay within 30 days after:

- a. we reach agreement with you;
- b. a final judgment; or
- c. an appraisal award.

15. Abandoned property - our option.

We need not accept property abandoned by an **insured**. At our sole option and discretion, we may take all or part of the damaged property at an agreed or the appraised value. We will give you written notice of our intention within 30 days after receipt of your signed sworn statement of loss.

16. Mortgagee clause.

Mortgagee includes trustee or loss payee. If a mortgagee is named in this policy, a covered loss will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

If we deny your claim, such denial will not apply to a mortgagee's valid claim if the mortgagee:

- a. knows and notifies us of any change of ownership, occupancy or substantial change in risk;
- b. pays on demand any premium due if you have failed to do so; and
- c. submits a signed, sworn statement of loss within 60 days after we notify the mortgagee of your failure to do so. All policy conditions will apply to the mortgagee, except Misrepresentation, concealment or fraud, unless committed by the mortgagee or its representatives.

We will give the mortgagee 10 days notice before we cancel this policy for non payment of premium. We will give the mortgagee 20 days notice before we cancel for any other reason. If we pay the mortgagee for any loss and deny payment to you:

- a. we have right of recovery against any party responsible for the loss; and
- b. at our option, we may pay off the entire mortgage debt to the mortgagee. In this event, we receive full assignment and transfer of the mortgage, including all security held as collateral to the mortgage debt, and we are subrogated to all the rights of the mortgagee under the mortgage.

A mortgagee's claim will not be impaired by transfer of a right of recovery.

If the **dwelling** is foreclosed upon under the deed of trust or through any other legal means, the mortgagee may cancel this policy of insurance. The mortgagee will then be entitled to any unearned premiums from this policy.

The mortgagee must credit any unearned premium against any deficiency owed. The mortgagee must return any unearned premium not so credited to the borrower. The unearned premium will be figured using the customary pro rata procedures.

17. No benefit to bailee.

This insurance will not benefit any person or organization who may be storing, holding or caring for or handling or moving property for a fee. We will not recognize any assignment or grant any coverage hereunder to any such person or organization.

18. Salvage.

We have salvage rights to damaged property for which we pay loss benefits. We have the right to obtain all or part of the property which may be recovered, including property substituted by others to conceal the loss.

SECTION II - LIABILITY COVERAGE

We will insure you for the coverages as described below except as otherwise indicated in the Declarations or renewal notice.

Coverage E (Personal Liability)

We will pay those damages which an **insured** becomes legally obligated to pay because of:

1. **bodily injury** resulting from an **occurrence**; or
2. **property damage** resulting from an **occurrence**.

At our expense and with attorneys of our choice, we will defend an **insured** against any suit seeking damages covered under Coverage E (Personal Liability). Our obligation to defend a suit seeking damages ends once we have paid our applicable **stated limit**. We may investigate and settle any claim or suit seeking damages that we consider appropriate.

We do not have any duty to defend or settle any suit involving actual, alleged, threatened or declared **bodily injury** or **property damage** not covered under this liability insurance. This applies whether or not the suit is groundless, false or fraudulent.

Coverage F (Medical Payments To Others)

We will pay reasonable medical expenses for necessary medical services furnished to a person to whom this coverage applies for treatment of **bodily injury**. This will apply for services within three years from the date of the **occurrence** causing **bodily injury**.

Necessary medical services are limited to necessary medical, surgical, dental, x-ray, ambulance, hospital, professional nursing and funeral services. These include the costs of pharmaceuticals, orthopedic and prosthetic devices, eyeglasses, and hearing aids.

Necessary medical services do not include:

1. treatment, services, products or procedures that are:
 - a. experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - b. not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of the **bodily injury**;
2. the use of:
 - a. thermography or other related procedures of a similar nature; or
 - b. acupuncture or other related procedures of a similar nature; or
3. purchase, rental cost, or use of:
 - a. hot tubs, spas, water beds;
 - b. exercise equipment;
 - c. heating or vibrating devices;
 - d. furniture or equipment not primarily designed to serve a medical purpose;
 - e. memberships in health clubs; or
 - f. medical reports, unless requested by us.

A reasonable medical expense means the usual and customary expense for the necessary medical services.

This coverage applies to:

1. persons on an **insured location** with permission of an **insured**; or
2. persons off an **insured location** if the **bodily injury** is:
 - a. the result of a condition on the **insured location** or the ways immediately adjoining;
 - b. caused by the activities of an **insured**;
 - c. caused by a **residence employee** in the course of employment by an **insured**; or
 - d. caused by an animal or creature owned by or in the care of an **insured**.

This coverage does not apply to:

1. persons injured as a result of their intentional acts;
2. any **insured** or any regular resident of an **insured location**, except a **residence employee** who is in the course and scope of employment by an **insured** as a **residence employee**; or
3. any person eligible to receive benefits provided or mandated under any workers' compensation, occupational disease or non-occupational disability law.

Payment under this coverage is not an admission of liability by any **insured** or us.

SECTION II - LIABILITY EXTENSIONS OF COVERAGES

We will insure you for the Extensions of Coverage as described below except as otherwise indicated in the Declarations or renewal notice.

1. Claim expenses.

We pay:

- a. all costs we incur in our settlement of a claim or defense of a suit with attorneys of our choice;
- b. premiums on bonds required in a suit we defend, but not for a bond amount greater than the Coverage E **stated limit**. We are not obligated to apply for or furnish a bond;
- c. reasonable expenses incurred by an **insured** at our specific request to help us investigate or defend a suit. When we ask an **insured** to attend hearings or trials we will pay actual loss of earnings (but not other income) up to \$250 per day; and
- d. interest after entry of judgment. This will only apply to that portion of damages covered by this policy and which do not exceed the applicable Coverage E or F **stated limits**. We will only be responsible for interest accruing on such damages until we pay, have given written offer to pay or have deposited the damages with a court.

2. First aid expenses.

We will reimburse reasonable and necessary first aid expenses for **bodily injury** to others incurred by an **insured** at the time of an **occurrence** to which this liability coverage applies. We do not pay for first aid to you or any other **insured**.

3. Damage to property of others.

At your request, we pay replacement cost up to \$1,500 per **occurrence** for **property damage** to property of others caused by an **insured**. We will not pay for **property damage**:

- a. to property covered under Section I - Property Coverage;
- b. intentionally caused by an **insured** who is 13 years of age or older;
- c. to property owned by or leased or rented to an **insured**, a tenant of an **insured**, any resident of an **insured's** household or anyone who cohabits with an **insured**;
- d. to **business property**;
- e. arising out of any **business** engaged in by an **insured**;
- f. arising out of premises owned, rented or controlled by an **insured**, other than an **insured location**; or
- g. arising out of the ownership, maintenance, operation, use, moving, occupancy, loading or unloading or entry or exit of **aircraft**, watercraft, **motor vehicles** or any other motorized land conveyance or trailers.

4. Loss assessment coverage.

If the Declarations or renewal notice shows loss assessment coverage, and the **residence premises** is subject to and governed by a homeowners or property owners association of which you are a member, then loss assessment coverage will apply. Subject to the rules of the association we will pay your share of any assessment levied against all members of the association for losses resulting from:

- a. physical injury to or destruction of tangible property owned in common by all association members. The injury or destruction must be loss or damage we would cover under Section I - Property Coverage of this policy if you owned the property;
- b. an **occurrence** to which Section II of this policy would apply; or
- c. **personal injury** for which the association becomes liable, if **personal injury** coverage is provided hereunder.

This coverage is excess over any collectible insurance covering the association for the loss.

5. Personal Injury.

If the Declarations or renewal notice indicates **personal injury** coverage applies, we will pay those damages which an **insured** becomes legally obligated to pay because of **personal injury** resulting from an **occurrence** to which this coverage applies. Payments for **personal injury** damage are part of and subject to the Coverage E **annual aggregate limit**.

At our expense and with attorneys of our choice, we will defend an **insured** against any suit seeking damages covered as **personal injury**. Our obligation to defend a suit seeking these damages ends once we have paid our applicable **stated limit** or other limit of insurance. We may investigate and settle any claim or suit seeking damages that we consider appropriate.

We do not have any duty to defend or settle any suit involving actual, alleged, threatened or declared **personal injury** not covered under this liability insurance. This applies whether or not the suit is groundless, false or fraudulent.

SECTION II - LIABILITY EXCLUSIONS

Coverage E (Personal Liability), Coverage F (Medical Payments to Others) and **personal injury** coverage, if covered under this policy, do not apply to:

1. Any insured or other residents of the residence premises.

We do not cover **bodily injury** or **personal injury** to:

- a. any **insured**; or
- b. any resident of the **residence premises**, whether resident in the **dwelling** or a **separate structure**. However, we do cover **bodily injury** to a **residence employee** unless the **bodily injury** is the result of the conduct of an **insured** or representative of an **insured** which would be serious and willful misconduct under the workers' compensation laws.

2. Business.

We do not cover **bodily injury**, **property damage** or **personal injury** arising from, during the course of or in connection with any past or present **business** engaged in by any **insured** or conducted from any **insured location**. By way of example, this includes but is not limited to any warranty, any act, or any duty rendered, promised, owed or implied to be provided because of the nature of the **business**.

3. Business or professional services.

We do not cover **bodily injury**, **property damage** or **personal injury** arising from, during the course of or in connection with the rendering or failure to render **business** or professional services.

4. Contract or agreement - failure to perform.

We do not cover **bodily injury**, **property damage** or **personal injury** arising from, during the course of or in connection with the performance or failure to perform under a contract or agreement, whether **business** or non-business.

5. **Contract or agreement - liability assumed or imposed.**

We do not cover **bodily injury, property damage or personal injury** arising from, during the course of or in connection with liability assumed by or imposed upon any **insured** under any contract or agreement, whether **business** or non-**business** and whether that of a third party. By way of example, this includes but is not limited to breaches of duty or express or implied warranties.

6. **Agreement with homeowners association.**

We do not cover **bodily injury, property damage or personal injury** arising from, during the course of or in connection with any agreement between any **insured** and a corporation or association of homeowners or property owners, except as provided under Section II - Loss assessment coverage.

7. **Rental property.**

We do not cover **bodily injury, property damage or personal injury** arising from, during the course of or in connection with the rental or holding for rental of any property or any part of any premises by any **insured** to any party. However, this exclusion does not apply to the rental or holding for rental of that part of an **insured location** which is rented or available for rent:

- a. on an occasional basis for sole use as a residence;
- b. to no more than two roomers or boarders at the same time for sole use as a residence; or
- c. as an office, studio or private garage.

8. **Sale or transfer of property.**

We do not cover **bodily injury, property damage or personal injury** resulting from, arising from, or in connection with property you or any **insured** has sold or transferred. By way of example, this includes but is not limited to:

- a. known, unknown or hidden property conditions, problems or defects, including by way of example but not limited to manufacturing, structural or plumbing, heating, air conditioning or electrical system conditions, problems or defects;
- b. known, unknown or hidden soil or drainage conditions, problems or defects;
- c. concealment or misrepresentation of or the failure to disclose any known condition, problem or defect in or of the property; or
- d. **contamination.**

9. **Owned property.**

We do not cover **property damage** to property owned by an **insured** or any other resident of the **residence premises**. This includes expenses and costs incurred by any **insured** or others to repair, replace, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an **insured location**. This exclusion applies even where there has already been some injury or damage.

10. **Non-owned property - used or in the care, custody or control.**

We do not cover **property damage** to non-owned property occupied by or used by, or in the care, custody or control of any **insured** or any other resident of the **residence premises** by any agreement or otherwise, except as provided under Section II - Damage to property of others. We do cover an **insured's** liability for **property damage** to such non-owned property caused by fire or lightning.

11. **Other locations.**

We do not cover **bodily injury or personal injury** arising from or in connection with a location other than an **insured location** which is:

- a. owned by an **insured**;
- b. rented to an **insured**; or
- c. rented to others by an **insured**.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course and scope of the **residence employee's** employment by an **insured**.

12. **Intentional acts.**

We do not cover **bodily injury, property damage or personal injury** which is caused by, arises out of or is the result of an intentional act by or at the direction of any **insured**. By way of example this includes but is not limited to any intentional act or intentional failure to act by any **insured**, whether a criminal act or otherwise, where resulting injury or damage would be objectively expected to a high degree of likelihood, even if not subjectively intended or expected. This exclusion applies even if:

- a. any **insured** mistakenly believes he or she has the right to engage in certain conduct;
- b. the injury or damage is sustained by persons or property not intended or expected by any **insured**;
- c. the injury or damage is different or greater or of a different quality than that intended or expected;
- d. any **insured** did not understand that injury or damage may result; or
- e. any **insured** knew the intentional act or failure to act was a violation of any penal law, whether or not an **insured** is actually charged with or convicted of a crime.

For purposes of application of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, which involves the same acts or activities which are the basis of a claim for damages against any **insured**, shall conclusively bar any **bodily injury, property damage or personal injury** arising or resulting from or caused by such acts or activities from coverage under this policy. This applies whether the **insured** actually admits or admitted guilt by plea.

13. **Home care services.**

- a. We do not cover **bodily injury, property damage or personal injury** arising from, during the course of or in connection with home care services, including by way of example but not limited to child care, day care or foster care services, whether licensed or not or otherwise approved by a governmental agency or body, provided to any person on a regular basis by or at the direction of:

- (1) any **insured**;
- (2) any employee of any **insured**; or
- (3) any other person actually or apparently acting on behalf of any **insured**.

Regular basis means more than a cumulative 20 hours per week provided to any one person or group of persons whether that person is the injured party or not.

- b. This exclusion does not apply to:

- (1) home care services provided to an **insured's** relative, who is not a resident of your household;
- (2) occasional or part-time home care services provided by any **insured** under 21 years of age; or
- (3) the providing of home care services or babysitting services for which compensation is not received, other than the mutual exchange of such services.

14. **Transmitting a communicable sickness or disease.**

We do not cover **bodily injury, property damage or personal injury** which is caused by or arises out of any **insured** transmitting a communicable sickness or disease, including by way of example but not limited to sexually transmitted sickness or disease. This exclusion applies whether the act of transmitting the sickness or disease was consensual or non-consensual or voluntary or involuntary, or whether the **insured** knew he or she was infected with or bore the sickness or disease or the communicability thereof.

15. **Aircraft, motor vehicles, or watercraft.**

We do not cover **bodily injury, property damage or personal injury** arising from, during the course of or in connection with the ownership, maintenance, operation, use, occupancy, loading or unloading, moving or movement, or entry or exit of any:

- a. **aircraft**;
- b. **motor vehicle**;

However, this exclusion does not apply to:

- (1) a motorized golf cart not subject to **motor vehicle** registration:
 - i. while on the golf course and used for golfing purposes; or
 - ii. while in a private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains the **residence premises**;
 - (2) lawn, garden or farm equipment principally used on the **residence premises**;
 - (3) recreational vehicles not subject to **motor vehicle** registration that are only used on the **residence premises**, including by way of example, all terrain vehicles;
 - (4) any watercraft, camper, home or utility trailer not being towed by, attached to or carried on a **motor vehicle**; or
 - (5) a motorized assisted living device designed to assist the disabled; or
- c. watercraft which:
- (1) has more than a 50 horsepower inboard or outdrive motor power;
 - (2) is powered by one or more outboard motors with more than 25 total horsepower;
 - (3) is a sailing vessel, with or without auxiliary power, 26 feet or more in length;
 - (4) uses a powered **water** jet pump as the primary source of propulsion; or
 - (5) uses an air cushion to hover over **water** surfaces.

This subsection c. does not apply to any watercraft while stored on the **residence premises**.

This exclusion does not apply to **bodily injury** to a **residence employee** in the course and scope of employment by an **insured** as a **residence employee**.

16. Entrustment and negligent supervision - aircraft, motor vehicles, or watercraft.

We do not cover **bodily injury, property damage or personal injury** arising from, during the course of or in connection with:

- a. the entrustment of any **aircraft, motor vehicle** or watercraft to any person; or
- b. the negligent supervision of any person regarding the maintenance, operation, use, occupancy, loading or unloading, or entry or exit of any **aircraft, motor vehicle** or watercraft.

Respecting **motor vehicles** and watercraft, this exclusion only applies to the same types of **motor vehicles** and watercraft excluded under Section II - Liability Exclusions, **Aircraft, motor vehicles or watercraft**.

This exclusion does not apply to **bodily injury** to a **residence employee** in the course and scope of employment by an **insured** as a **residence employee**.

17. Vandalism.

We do not cover **bodily injury, property damage or personal injury** caused directly or indirectly by or arising from, during the course of or in connection with any vandalism. This exclusion applies even if the loss or damage is sustained by persons or property not intended or expected.

18. Destructive acts.

We do not cover **bodily injury, property damage or personal injury** caused directly or indirectly by or arising from, during the course of or in connection with any destructive act. This includes acts directed against civilians, or military or governmental personnel or property by any domestic or foreign person(s), organization(s), entity or entities, government or any quasi-governmental body. This exclusion includes by way of example but is not limited to war, undeclared war, civil war, insurrection, rebellion and revolution, all whether or not by military or paramilitary personnel, and includes any direct or indirect consequence of these, including **contamination**. This exclusion applies even if the loss or damage is sustained by persons or property not intended or expected.

19. **Fungus, noxious substance, nuclear substance, pathogen or pollutant.**

We do not cover **bodily injury, property damage or personal injury** caused by, resulting from, or in connection with or arising from any **fungus, noxious substance, nuclear substance, pathogen or pollutant**, all whether combined with, caused by or resulting from **water**.

This exclusion includes by way of example but is not limited to:

- a. the actual, alleged or threatened discharge, dispersal, seepage, release, migration, trespass or escape of any **fungus, noxious substance, nuclear substance, pathogen or pollutant**:
 - (1) from any premises, site or location; or
 - (2) during transportation, handling, storage, treatment, disposal or processing;
- b. **contamination or remediation**;
- c. any supervision, instruction, disclosure, failure to disclose, recommendation, warning;
- d. advice given or which allegedly should have been given, in connection with any **fungus, noxious substance, nuclear substance, pathogen or pollutant**, or **remediation** activities;
- e. any claim of nuisance concerning or related to any **fungus, noxious substance, nuclear substance, pathogen, or pollutant**;
- f. all costs, expenses or damages arising out of any order, claim, suit or threat of liability by or on behalf of a governmental authority or any other person or entity for injury, damages or injunctive relief because of or arising out of **contamination or remediation**;
- g. anguish, distress, or fear of any person of **bodily injury or property damage** which may be caused by, arise out of or result from alleged, actual or threatened infection with, exposure to, absorption of or **contamination** by or with any **fungus, noxious substance, nuclear substance, pathogen, or pollutant**;
- h. actual, alleged, constructive or threatened diminution or loss of value of any property from the actual or alleged presence of any **fungus, noxious substance, nuclear substance, pathogen or pollutant**, including by way of example but not limited to loss of equity, loss of rents, loss of use or feared or actual economic loss; or
- i. sums an **insured** is required to expend in equity for or relief from **bodily injury, property damage or personal injury**.

This exclusion applies whether a **noxious substance, nuclear substance, pathogen or pollutant** was used legally, normally or intentionally for the purpose for which it was intended, whether it has any function with respect to your property, and whether its use was confined within the general area of its intended use.

20. **Illegal or controlled substance.**

We do not cover **bodily injury, property damage or personal injury** arising from, during the course of or in connection with the use, sale, manufacture, distribution, delivery, transfer or possession of any illegal substance or a controlled substance as defined by federal or state law. Such substances include, by way of example but are not limited to: cocaine, LSD, methamphetamines, marijuana and all narcotic drugs.

This exclusion does not apply to the legal use of legally prescribed drugs by a person following orders of a licensed physician.

21. **Punitive or exemplary damages, fines or penalties.**

We do not cover punitive or exemplary damages or any amount in the nature of a civil fine or penalty assessed or imposed under any code, statute or regulation. We also do not cover the cost of defense, including attorney fees, related to any such damages, fine or penalty. Punitive or exemplary damages are those damages imposed to punish a wrongdoer and to deter others from similar conduct.

22. **Workers' compensation.**

We do not cover **bodily injury** to any person eligible to receive benefits required to be provided or which may voluntarily be provided by an **insured** under any workers' compensation, occupational disease or non-occupational disability law.

23. **Nuclear energy liability insurance.**

We do not cover **bodily injury** or **property damage** when any **insured** is covered under any nuclear energy liability policy. This exclusion applies even if the limits of that policy have been exhausted.

24. **Obligation to reimburse, share or indemnify damages.**

We do not cover any claim to reimburse, share with or indemnify any person or entity for damages, costs or expenses incurred by that person or entity which arises out of or results from any type of event or activity specified in these liability insurance exclusions.

25. **Statutory liability.**

We do not cover any liability statutorily imposed on any **insured** which arises out of, is connected with or results from any type of event or activity specified in these liability insurance exclusions.

26. **Violation of ordinance, penal law or criminal acts.**

We do not cover **personal injury** arising from, during the course of or in connection with a violation of any ordinance, order or penal law committed by, or with the knowledge or consent of any **insured**, or any criminal act by an **insured**.

For purposes of application of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, which involves the same acts or activities which are the basis of a claim for damages against the **insured**, shall conclusively bar any **personal injury** arising or resulting from or caused by such acts or activities from coverage under this policy. This applies whether the **insured** actually admits or admitted guilt by plea.

27. **Employment - personal injury.**

We do not cover **personal injury** arising from, during the course of or in connection with any offense directly or indirectly related to the employment of any person by any **insured**. This applies whether the offensive activity is an employment related practice, policy, act or omission and whether the substance or context of the offense is employment related.

28. **Civic or public activities.**

We do not cover **bodily injury**, **property damage** or **personal injury** arising from, during the course of or in connection with civic or public activities performed for pay by any **insured**.

29. **Molestation, abuse or corporal punishment.**

We do not cover **bodily injury**, **property damage** or **personal injury** arising from, during the course of or in connection with the actual, alleged, or threatened molestation, abuse or corporal punishment of any person by anyone, including by way of example, but not limited to:

- a. any **insured**;
- b. any employee of any **insured**;
- c. any volunteer, person for hire, or any other person who is acting or who appears to be acting on behalf of any **insured**; or
- d. any **insured** or employee of an **insured** where there are allegations of negligent supervision, negligent hiring, training or negligent entrustment or any allegation that an **insured** or employee of an **insured** failed, or allegedly failed, to train, supervise, detect, report or otherwise prevent any person from allegedly molesting, abusing or punishing, or continuing to allegedly molest, abuse or punish any person.

We have no duty to defend or settle any molestation, abuse or corporal punishment claim or any claim of negligent supervision, negligent hiring, failure to report, failure to prevent or negligent entrustment suit against any **insured** or any other person.

This exclusion applies even if:

- a. any **insured** or any other person mistakenly believes he or she has the right to engage in certain conduct;
- b. the injury is sustained by persons not intended or expected by an **insured**;

- c. the injury is different or greater or of a different quality than that intended or expected;
- d. any **insured** or any other person did not understand that injury may result; or
- e. any **insured** or any other person knew the acts or failure to act was a violation of any penal law, whether or not an **insured** is actually charged with or convicted of a crime.

For purposes of application of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, which involves the same acts or activities which are the basis of a claim for damages against any **insured** or any other person, shall conclusively bar any **bodily injury, property damage** or **personal injury** arising or resulting from or caused by such acts or activities from coverage under this policy. This applies whether the **insured** or any other person actually admits or admitted guilt by plea.

SECTION II - LIABILITY CONDITIONS

1. Limits of insurance.

- a. The **stated limit** for Coverage E (Personal Liability) is both the per **occurrence** and the **annual aggregate limit**. All claims resulting from or arising out of any one person's **bodily injury**, including death, shall collectively be considered one **occurrence** and will be subject to the per **occurrence** limit.
- b. The **stated limit** for Coverage F (Medical Payments to Others) is the most we will pay under Coverage F for all necessary medical services for **bodily injury** to any one person for any one **occurrence**. Payments under Coverage F are part of and subject to the Coverage E **annual aggregate limit**.
- c. If **personal injury** coverage is indicated, then payments for **personal injury** damage are part of and subject to the Coverage E **annual aggregate limit**.

2. Separate insurance.

This liability coverage applies separately to each **insured**. This condition will not increase our **annual aggregate limit** or our per **occurrence** limit of insurance. However, exclusions under this liability coverage may limit coverage of all **insureds**.

3. Duties after loss.

In case of an **occurrence**, an **insured** will perform the following duties:

- a. give written notice to us or our agent as soon as possible stating:
 - (1) the policy number, your name and the name of **insured** against whom the claim is made;
 - (2) the time, place and circumstances of the **occurrence** or claimed **personal injury**; and
 - (3) names and addresses of claimants and witnesses;
- b. immediately send us any notice or demand or legal papers received relating to a claim or suit;
- c. cooperate with and assist us in any matter relating to a claim or suit;
- d. provide all information we request to investigate the claim or suit;
- e. under Damage to property of others, send us a sworn statement of loss within 60 days of the loss. Also exhibit any damaged property which is within the **insured's** control;
- f. an **insured** will not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation or incur any expense except First aid expenses;
- g. submit to examinations under oath, separately and apart from any other person defined as you or **insured** and sign a transcript of the examination;
- h. produce representatives, employees, members of the **insured's** household or others for interviews or examinations under oath to the extent it is within the **insured's** power to do so;
- i. cooperate and assist us and not do anything to inhibit or release any right of contribution, recovery or indemnity against any person or organization who may be liable to an **insured** for activities related to a claim or suit; and
- j. as reasonably requested, attend hearings and trials concerning the suit.

4. Duties of an injured person - Coverage F (Medical Payments to Others).

The injured person or someone acting on behalf of the injured person will:

- a. give us written proof of claim as soon as possible, under oath if required; and
- b. authorize us to obtain medical reports and records.

The injured person will submit to a physical exam by a doctor we choose when and as often as we reasonably require.

5. Suit against us.

No action can be brought against us unless there has been full compliance with the terms and conditions of this policy.

No one has any right to make us a party to a suit to determine the liability of a person we insure or to make us a party to any action against an **insured**. We may not be sued under Coverage E (Personal Liability) until the obligation of the **insured** has been determined by final judgment after actual trial or by agreement signed by us. Under Coverage F (Medical Payments to Others), no action can be brought until 30 days after the required proofs of claim have been filed.

6. Bankruptcy of an insured.

Bankruptcy or insolvency of an **insured** or of an **insured's** estate will not relieve us of our duties under this policy.

7. Other insurance - Coverage E (Personal Liability).

This insurance is excess over any other valid and collectible insurance. If any applicable insurance other than this policy is issued to you by us or any other member company of the Farmers Insurance Group of Companies, the total amount payable among all such policies shall not exceed the **stated limit** or other limit of insurance of the single policy providing the highest limit of insurance.

GENERAL CONDITIONS APPLYING TO THE ENTIRE POLICY

1. Entire contract.

This policy, the Declarations, the renewal notice and any endorsements include all the agreements between you and us relating to this insurance.

2. Policy period.

This policy applies only to covered loss or damage under Section I and **bodily injury, property damage** or **personal injury** which occurs during the policy period stated on the Declarations or renewal notice.

3. Joint obligations.

The terms of this policy are joint obligations of all persons defined as an **insured**. This means that the responsibilities, acts, and failures to act of any **insured** will be binding upon any other **insured**. To the extent an **insured**, other than you, is a direct beneficiary of coverage under this policy, that **insured** is also responsible for complying with the duties and responsibilities set forth in this policy.

4. Misrepresentation, concealment or fraud.

We reserve the right to deny coverage for any loss or damage or claim for injury or damage if you or any **insured**, at any time either before or after a claim or loss, has negligently or fraudulently concealed or misrepresented any material fact or circumstance in the application for, change to or renewal of this insurance, or in the presentation of a claim or loss, or engaged in fraudulent conduct respecting a claim or loss.

As permitted by law, we reserve the right to void this policy if you or any **insured**, at any time either before or after a claim or loss, has fraudulently concealed or misrepresented any material fact or circumstance in the application for, change to or renewal of this insurance, or in the presentation of a claim or loss, or engaged in fraudulent conduct respecting a claim or loss, if it is shown.

We do not provide coverage for any loss or damage or claim for injury or damage if you or any **insured** has in connection with or related to any insurance provided in this policy intentionally caused or arranged for the loss or damage or claim or has caused the loss or damage while engaged in committing or concealing a felony, or for any loss or damage or claim for injury or damages when any **insured** had knowledge of the loss or damage or claim prior to the inception of this insurance.

5. Liberalization clause.

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations or renewal notice.

This liberalization clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

- a. a subsequent edition of this policy; or
- b. an amendatory endorsement.

6. Waiver or change of policy provisions.

A waiver or change of a provision of this policy must be in writing by us to be valid. We may change this policy or replace it to confirm to the policy form and coverage we then currently use. The change or new policy will be delivered to you or mailed to you at your mailing address shown on the Declarations or renewal notice at least 30 days before its effective date. Our request for an appraisal or examination will not waive any of our rights.

7. Cancellation.

- a. You may cancel this policy by:
 - (1) returning it to us, or
 - (2) notifying us in writing when cancellation is to take effect.
- b. The mortgagee may cancel this policy by notifying us in writing pursuant to the mortgagee clause.
- c. We may cancel this policy by mailing or delivering written notice to you, or your representative. Such notice will be mailed or delivered to the mailing address shown in the Declarations or renewal notice. The mailing of it will be sufficient proof of notice.

We may cancel this policy only for the following reasons:

- (1) non-payment of premium, whether payable to us or our agent. We may cancel at any time by notifying you at least 10 days before the date cancellation takes effect;
- (2) any reason, when this policy has been in effect for less than 60 days and is not a renewal with us. We shall notify you at least 10 days before the date cancellation takes effect. If the policy period is longer than one year and has been in effect for 60 days or more we may cancel at the anniversary date for any reason. We will notify you at least 20 days before the cancellation takes effect; or
- (3) if this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel for one or more of the following reasons:
 - i. fraud or material misrepresentation made by or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
 - ii. the **occurrence** of a material change in the risk that substantially increases any hazard insured against after policy issuance;
 - iii. violation of any local fire, health, safety, building or construction regulation or ordinances with respect to any **insured location** or the occupancy of the property that substantially increases any hazard insured against under the policy;

- iv. a material violation of a material provision of the policy; or
- v. any reason permitted by law.

We shall notify you in writing at least 20 days before the date cancellation takes effect.

d. Return of premium.

Cancellation of or changes in this policy may result in a premium refund. If so, we will send it to you within 30 days after the cancellation or change takes effect. If you cancel this policy we will return the short rate unused share of the premium. If we cancel this policy, we will return the pro-rated unused share of the premium.

If the mortgagee cancels this policy pursuant to the mortgagee clause, we will return the pro rated unused share of the premium to the mortgagee.

8. **Refusal to renew.**

We may elect:

- a. to nonrenew this policy; or
- b. to condition its renewal on an increase or reduction of **stated limits** or other limits of insurance or an increase, reduction or elimination of coverages.

We may elect to nonrenew by delivering or mailing to you or your representative at your mailing address shown in the Declarations or renewal notice, written notice at least 30 days before the expiration date of this policy. The mailing of it will be sufficient proof of notice.

If we elect to renew but condition the renewal as indicated above, we will deliver or mail to you or your representative at the mailing address shown in the Declarations or renewal notice, written notice in accordance with applicable state law.

If this policy is written for a period of less than one year we agree not to refuse to renew except at the end of an annual period beginning with the original or renewal effective date.

9. **Assignment and death.**

Your interest in this policy may not be transferred to another person without our written consent.

If you should die, we will cover for the remainder of the policy period:

- a. your spouse, if a resident of the same household at the time of death or any other member of your household on the **residence premises** who is an **insured** at the time of your death, but only while a resident of the **residence premises**;
- b. your legal representative while acting as such, but only with respect to the **residence premises** and property covered under this policy at the time of your death; or
- c. any person having proper temporary custody of your insured property until your legal representative is appointed and qualified.

10. **Subrogation.**

When we pay for any loss or damage, an **insured's** right to recover from anyone else for that loss or damage becomes our right up to the amount we have paid. **Insureds** must protect any of these rights and help us enforce them. However, an **insured** may waive in writing before a loss, all rights of recovery against any person. An **insured** may not waive after a loss any rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, an **insured** must sign and deliver all related papers and cooperate with us. Subrogation does not apply under Section II - Liability Coverage. We are entitled to payment, reimbursement and subrogation regardless of whether the total amount of the recovery by an **insured** on account of the loss or damage is less than the actual loss suffered by the **insured**. Our right to recover will apply only after you have been fully compensated for a loss covered under this policy.

11. **What law will apply.**

This policy is issued in accordance with the laws of the state in which the **residence premises** is located and covers property or risks principally located in that state. The laws of the state where the **residence premises** is located shall govern any and all claims or disputes in any way related to this policy.

12. **Arbitration.**

Any claim or dispute related to this policy, by an **insured** against us or us against an **insured**, may be resolved by arbitration only upon mutual consent of us and the other party subject to:

- a. no arbitrator has the authority to award punitive damages, exemplary damages or attorney's fees;
- b. neither of the parties are entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class; and
- c. no arbitrator has the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

13. **Conflict of terms.**

If there are terms of this policy which conflict with statutes of the state where issued, the terms are amended to conform to such statutes.

14. **Where suits may be brought.**

Any and all suits related to this policy will be brought, heard and decided only in a state or federal court located in the state in which the **residence premises** is located. Any and all suits against persons not party to this policy but involved in the sale, administration, performance or alleged breach of this policy, shall be brought, heard and decided only in a state or federal court located in the state in which the **residence premises** is located, provided that such persons are subject to or consent to suit in the courts specified in this paragraph.

Nothing in this section shall limit or impair any party's right to remove a state court suit to a federal court.

15. **Reciprocal provisions.**

This policy is made and issued in consideration of your premium payment to us. It is also issued in consideration of the power of attorney you signed and the information you gave to us during the application process. The power of attorney authorizes your Attorney-in-Fact to execute interinsurance policies between you and other subscribers.

Nothing in this policy is intended, or shall be construed, to create either:

- a. A partnership or mutual insurance association; or
- b. Any joint liability.

We may sue or be sued in our own name, as though we were an individual, if necessary to enforce any claims which arise under this policy. In any suit against us, service of process shall be upon the Attorney-in-Fact as shown in your Subscription Agreement.

Membership fees which you pay are not part of the premium. They are fully earned when you are granted membership and coverage is effective. They are not returnable. However, they may be applied as a credit to membership required of you for other insurance which we agree to write.

We hold the Annual Meeting of the members of the Farmers Insurance Exchange at our Home Office at Los Angeles, California, on the first Monday following the 15th day of March of each year at 2:00 p.m. The Board of Governors may elect to change the time and place of the meeting. If they do so, you will be mailed a written or printed notice at your last known address at least ten (10) days before such a time. Otherwise, no notice will be sent to you.

The Board of Governors shall be chosen by subscribers from among yourselves. This will take place at the Annual Meeting or at any special meeting which is held for that purpose. The Board of Governors shall have full power and authority to establish such rules and regulations for our management as are not inconsistent with the subscribers' agreements.

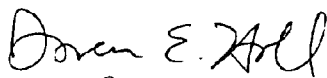
Your premium for this policy and all payment made for its continuance shall be payable to us at our Home Office or such location named by us in your premium notice.

The funds which you pay shall be placed to your credit on our records. They will be applied to the payment of your proportion of losses and expenses and to the establishment of reserves and general surplus. The Board of Governors or its Executive Committee has the authority to deposit, withdraw, invest and reinvest such funds. You agree that any amount which the Board of Governors allocates to our surplus fund may be retained by us. Also, after provision is made for all of our liabilities, it may be applied to any purpose deemed proper and advantageous to you and other policyholders.

This policy is non-assessable.

This policy shall not be effective unless countersigned on the Declarations by a duly authorized representative of the company named on the Declarations. The company named on the Declarations has caused this policy to be signed by the officers shown below.

**Farmers Insurance Exchange
by Farmers Underwriters Association
Attorney-in-Fact**


Secretary


Vice President

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Arkansas Insurance Department

Mike Beebe
Governor



Julie Benafield Bowman
Commissioner

April 25, 2007

Mr. Charlie Snyder
Farmers Insurance Group
P.O. Box 8204
Little Rock, AR 72211

RE: Farmers Insurance Exchange - 21652
Next Generation Homeowner Policy Form Filing
Reference Number: FAR0740-100010

Dear Mr. Snyder:

This will confirm the telephone conversation between Mr. Lacy and you on April 23, 2007 regarding the probable disapproval of the captioned filing.

OK to \$5000

arrived still here

The earthquake endorsement provides a coverage limit for personal property that is far below that available through the Market Assistance Program (MAP). Companies are required to give notice of the availability of the MAP to insureds when coverage is not offered. A notice must be developed and submitted for approval that informs insureds of the specifics of Farmers' endorsement and the existence of the MAP.

Our request to move the deductible language from page 1 of the earthquake endorsement to the deductible clause of page 2 continues to be an outstanding issue. *← will need*

The fungi/mold language of the policy remains noncompliant with Bulletin 10-2002. Specifically, "unless if by fire or lightning" must be removed and replaced with language that allows for coverage by all covered perils or causes of loss. *←*

Changes to the language of Section I-Property Coverage, Section I-Loss or Damage Insured and Section I-Uninsured Loss or Damage and Excluded Causes of Loss or Damage have not alleviated our concerns with seemingly unnecessary repetitiveness of simple language.



FARMERS

EA notice

4700 WILSHIRE BLVD.
LOS ANGELES, CA 90010
(323) 964-8036
(323) 932-3950

www.farmersinsurance.com

April 10, 2007

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201

Attention: Ms. Becky Harrington
Certified Analyst
Property & Casualty Division

RECEIVED
APR 11 2007
PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

SUBJECT: Response to Objection Letter Dated April 2, 2007
HOMEOWNERS MODIFIED OPEN PERIL – NEW PROGRAM FILING –
NEXT GENERATION HOMEOWNERS POLICY
(Reference Number: FAR0740-100010)

Dear Ms. Harrington:

Question 1. We disagree with your response regarding the responsibility of agents. The previous policy form had no such language. The language must be removed or form 56-5549 will not be approved pursuant to the provisions of Arkansas Code Annotated § 23-79-110. (Question 1 of previous correspondence)

Response: You are correct that the Protector Plus and Special Form Homeowners policies do not contain this language. That doesn't mean, however, that the new policy cannot have such language. As noted previously, Arkansas law does not impose a duty on insurance companies and agents to ensure that there is adequate coverage. Choosing coverage limits is the customer's responsibility under Arkansas law. Further, under AR Code 23-79-110 this provision does not:

- (1) In any respect violate or not comply with this code;
- (2) Contain or incorporate by reference, when the incorporation is otherwise permissible, any inconsistent, ambiguous, or misleading clauses, or exceptions and conditions that deceptively affect the risk purported to be assumed in the general coverage of the contract;
- (3) Has any title, heading, or other indication of its provisions that is misleading;
- (4) Is printed or otherwise reproduced in such manner as to render any provision of the form substantially illegible or not easily legible to persons of normal vision.

However, in acquiescence to your request we will delete this language.

Question 2. We are not as concerned with the overall length of the policy form as the repetitive and likely ambiguity that the language of Section I – Property Coverage, Section I-Loss or Damage Insured and Section I-Uninsured Loss or Damage and Excluded Causes of Loss or Damage – (A) Uninsured Types of Loss or Damage may create. Please consult your Legal Counsel for possible language that meets the simplification requirements of Rule 29 and eliminates the repetitive nature of the language. (Questions 5 and 8)

Response: We have reviewed the language in the sections cited and do not believe the sections are ambiguous, but, spell out precisely to our customers the nature of the coverage extended. We understand and share in the goal of Regulation 29 to make homeowners policies easier to understand, however, when courts interpret policy language they use a much more strict standards. If our coverage intent is not clearly spelled out, the language will be interpreted against us. Consequently, we request that the language be permitted as drafted so that our coverage is clear and unequivocal.

However, in an attempt to alleviate your concerns, we have eliminated three sentences from Section I – Property Coverage, Section I-Loss or Damage Insured as follows:

We insure accidental direct physical loss or damage to that property described in Section I - Types of Property Insured. Loss or damage means distinct and demonstrable, actual physical injury to or destruction of the property. Loss or damage does not include functional impairment or the loss of use of property unless the property has sustained distinct and demonstrable, actual physical injury or destruction. Loss or damage does not include any decrease in the market value of the property, however measured or determined. Loss or damage to property is caused by perils or causes of loss or damage. Loss or damage to property consists of certain types of loss or damage.

~~This policy does not insure all types of loss or damage to covered property. This policy does not insure against all causes of loss or damage to covered property. We do not insure covered property for the types of loss or damage described in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage. We do not insure loss or damage to covered property directly or indirectly caused by, arising out of or resulting from the excluded causes of loss or damage set forth in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage, whether the excluded cause of loss or damage occurs on or away from the residence premises.~~

~~We do not provide Loss of Use or any Extensions of Coverage for any uninsured type of loss or damage or any excluded cause of loss or damage, unless specifically provided otherwise.~~

Question 3. Provide additional details regarding the calculation of the Flesch score of form 56-5549 that include the formula or process used. Were headings and titles included in the calculation? (Question 15)

Response: The title, table of contents, and headings were not included. We revised the policy as detailed in our earlier response and in this response, and then reviewed the language using an electronic Flesch score calculator . The new score is 41.63.

Question 4. The response regarding the "other limit" referenced in Section I Extensions of Coverage-Limited Water Coverage indicates that other limit refers to the special personal property limits found elsewhere in the policy form. Please amend the "other limit" language to read "special limits" for clarity and congruity. (Question 6)

Response: We will make this change.

Question 5. The addition of the language to the Fungi provision is not sufficient in and of itself. The provision still does not comply with the requirements of Bulletin 10-2002. A fungus that is the result of any covered cause of loss or peril must be covered. (Question 10)

Response: We believe the revised language is consistent with Bulletin 10-2002. Bulletin 10-2002 allows for the exclusion of remedial costs whether the mold is the result of a covered cause of loss. Our revised language is in conformance as we do not insure for remediation of mold. Further, as for mold resulting from covered causes of loss, our revised language provides an exception to the exclusion if the mold is located upon a portion of the residence premises which must be repaired or replaced because of direct physical damage as the result of a covered loss.

Question 6. Regarding the Water exclusion, clarify what is meant by water "above" the surface of the ground.

first sent by P. 5/3

2 - This was my concern not what they deleted

see BL

Response: Water above the surface of the ground includes, but is not limited to, rain, condensation, vapor, humidity, etc. However, the point is that we are excluding all water from any source whatsoever. The "above the surface of the ground" merely clarifies to the insured that it does not matter whether the water is "above, on or below" the surface of the ground.

Question 7. The Emergency Services provision will not be approved without revision. It is inappropriate for a company to "dispatch" a contractor without having some knowledge as to their credibility. (Question 13)

Response: We believe our practices in this area are appropriate and within the law. We are merely clarifying this practice to our insureds. Does Arkansas hold health insurers responsible for medical services provided by a doctor who is a member of a health insurer's Preferred Provider Network? Please provide the specific Arkansas statutory, regulatory or case law authority which makes this provision inappropriate.

OK BL?

However, in an attempt to alleviate your concerns we will amend the last paragraph as follows: It is solely your responsibility to direct or manage the activities of any independent contractor providing emergency services. ~~We make no representation as to the skill or experience of any independent contractor. We do not warrant the workmanship of any independent contractor. We are not responsible for the acts or failures to act of any independent contractor. We do not assume liability for injuries sustained by you or any other person resulting from or arising from any repair, attempted repair or from any loss mitigation.~~

MOVE TO ELSE

Question 8. The explanation regarding the earthquake deductible did not address the original questions/concerns. We understand that the policy deductible does not apply and instead the percentage deductible shown on page 1 of endorsement 93-6261 (J6261) does. It was originally pointed out that the deductible percentage shown on page 1 should be shown under the deductible clause on page 2 of the earthquake endorsement instead of its present location.

Confirm that the limit will not be reduced by the deductible amount.

Response: If the policy is endorsed with J6261, the Coverage A stated limits on the policy apply, subject to the percentage deductible shown on page 1 of the endorsement. This is the only deductible that applies to earthquake loss. The stated limits for Coverage B, C, D and Loss Assessment do not apply to loss under J6261. The J6261 limits for these coverages are also shown on page 1 of the endorsement.

Question 9. The second point was that the rule page (502) did not agree with the endorsement. Please confirm that the rule will be revised to show that the deductible does not apply to Coverage B, C, D, and Loss Assessment.

Response: The rule page (502) will be revised.

Question 10. While \$2000 may be the personal property limit your company wishes to offer, it is a trivial amount. One television or washer/dryer would likely exhaust the limit. It would be barely sufficient to replace essential clothing for a family. We propose increasing the limit to at least \$5,000.

Response: We appreciate your input. We want to offer earthquake coverage to our insureds in Arkansas. We have evaluated our exposure to the peril of earthquake, and have determined that \$2,000 is the appropriate amount of coverage to offer for personal property.

Very truly yours,

Brian Sniegowski
Fire Product Management

Arkansas Insurance Department

Mike Beebe
Governor



Julie Benafield Bowman
Commissioner

April 2, 2007

Brian Sniegowski
Assistant Product Manager
Farmers Insurance Group
4700 Wilshire Boulevard
PO Box 2478
Los Angeles, California 90099-4715

RE: Farmers Insurance Exchange - 21652
Next Generation Homeowners Policy
Form Filing: FAR0740-100010

Dear Mr. Sniegowski:

This will acknowledge the receipt of your response dated March 27, 2007.

We disagree with your response regarding the responsibility of agents. The previous policy form had no such language. The language must be removed or form 56-5549 will not be approved pursuant to the provisions of Arkansas Code Annotated § 23-79-110. (Question 1 of previous correspondence)

We are not as concerned with the overall length of the policy form as the repetitive and likely ambiguity that the language of Section I - Property Coverage, Section I-Loss or Damage Insured and Section I-Uninsured Loss or Damage and Excluded Causes of Loss or Damage - (A) Uninsured Types of Loss or Damage may create. Please consult your Legal Counsel for possible language that meets the simplification requirements of Rule 29 and eliminates the repetitive nature of the language. (Questions 5 and 8)

Provide additional details regarding the calculation of the Flesch score of form 56-5549 that include the formula or process used. Were headings and titles included in the calculation? (Question 15)

The response regarding the "other limit" referenced in Section * Extensions of Coverage-Limited Water Coverage indicate that other limit refers to the special personal property limits found elsewhere in the policy form. Please amend the "other limit" language to read "special limits" for clarity and congruity. (Question 6)

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APR 12 2007
PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

April 2, 2007

Page 2 of 2

The addition of the language to the Fungi provision is not sufficient in and of itself. The provision still does not comply with the requirements of Bulletin 10-2002. A fungus that is the result of **any** covered cause of loss or peril must be covered. (Question 10)

Regarding the Water exclusion, clarify what is meant by water "above" the surface of the ground.

The Emergency Services provision will not be approved without revision. It is inappropriate for a company to "dispatch" a contractor without having some knowledge as to their credibility.
(Question 13)

The explanation regarding the earthquake deductible did not address the original questions/concerns. We understand that the policy deductible does not apply and instead the percentage deductible shown on page 1 of endorsement 93-6261 (J6261) does. It was originally pointed out that the deductible percentage shown on page 1 should be shown under the deductible clause on page 2 of the **earthquake endorsement** instead of its present location.

Confirm that the limit will not be reduced by the deductible amount.

The second point was that the rule page (502) did not agree with the endorsement. Please confirm that the rule will be revised to show that the deductible does not apply to Coverage B, C, D, and Loss Assessment.

While \$2000 may be the personal property limit your company wishes to offer, it is a trivial amount. One television or washer/dryer would likely exhaust the limit. It would be barely sufficient to replace essential clothing for a family. We propose increasing the limit to at least \$5,000.

Please feel free to contact me if you have any questions.

Sincerely,



Becky Harrington
Certified Analyst
Property & Casualty Division
(501) 371-2804
(501) 371-2748 fax
E-mail: becky.harrington@arkansas.gov

CC: Bang Nguyen, Product Manager, Farmers
Mina Villegas, Regulatory Filings Technician, Farmers
Charlie Snyder, Executive Director-State Officer, Farmers
Bill Lacy, Director - Property & Casualty, AID

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APR 12 2007
PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT



FARMERS

4700 WILSHIRE BLVD.
LOS ANGELES, CA 90010
(323) 932-3509
(323) 932-3950

www.farmersinsurance.com

March 27, 2007

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201

Attention: Ms. Becky Harrington
Certified Analyst
Property & Casualty Division

water above ground

RECEIVED

MAR 28 2007

PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

SUBJECT: Response to Objection Letter Dated March 16, 2007
HOMEOWNERS MODIFIED OPEN PERIL - NEW PROGRAM FILING -
NEXT GENERATION HOMEOWNERS POLICY
(Reference Number: FAR0740-100010)

Dear Ms. Harrington:

We are in receipt of your correspondence dated March 16, 2007. Our response to your questions is below.

Question 1. The language "You are responsible for selecting the appropriate amount of coverage for..." appears to relieve the agent and company of any responsibility for the development of the coverage amounts. The agent is paid a commission to assist insureds in purchasing adequate coverage. They are considered professionals and should bear some responsibility. Please remove this language.

(Page 5)

Response: The commission we pay to an agent is not paid to assist insureds in purchasing adequate coverage. Under Arkansas law, insurance companies and insurance agents do not have a duty to ensure that there is adequate coverage. There is a "long established rule," followed in Arkansas and most other jurisdictions, which makes the insured responsible for educating himself about insurance coverage. Stokes v. Harrell, 289 Ark. 179, 711 S.W.2d 755 (1986). While our agents explain the coverage options available, the deductibles and endorsements, may ask questions and raise issues which prompt a customer to think about the types of and amounts of coverages he may wish to purchase, and while we may provide customers with information which causes them to think about the same thing, neither we nor our agents assume a duty to ensure that the customer has adequate coverage. That responsibility always rests with the customer.

Question 2. Labor may not be depreciated. Please amend the language under the definition of Actual Cash Value. (Page 6)

Response: We will delete the reference to depreciation of labor.

OK

to be
out
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dictate

Question 3. The definition of Property Damage appears to be ambiguous, specifically, the language under "property damage does not mean". Please provide examples of or clarify what would be excluded under b and c. (Page 9)

Response: We will add the following to b. - "including by way of example but not limited to conditions brought about by long or repeated use, mechanical breakdown, or malfunction." We will eliminate sub item c.

Question 4. The first paragraph under Section I- Property Coverage, Section I – Loss or Damage Insured contains some of the same language found in the definition of property damage for liability, such as functional impairment and decrease in market value. Provide clarification and/or examples. Is hail damage to a roof covered? (Page 10)

Response: Our intent is to only cover insured damage to property if that property has sustained actual physical damage from a peril which is not excluded. Our intent is to make it clear to an insured that mere functional impairment of property, ie., the property cannot perform the function or purpose for which it was designed, which property has not sustained actual physical damage from a covered peril is not insured. However, if property has sustained actual physical damage from a covered peril and as a result the property is functionally impaired, then there is coverage. For example, you question whether hail damage to a roof is covered. Yes, hail is a peril which is not excluded and if hail hits to a roof are strong enough, the hits will damage the roof and the roof will be functionally impaired. That damage will be covered.

Question 5. The language of Section I- Property Coverage, Section I – Loss or Damage Insured in general is ambiguous, repetitive, and wordy. (Page 10)

Response: We recognize that this language adds length to the policy. However, we believe that this language clearly communicates the scope of coverage to our customers. We feel our Next Generation Policy is clear and easy for the average policyholder to navigate.

Question 6. Section I – Extensions of Coverage - Limited Water Coverage states that "A roof or wall does not include a temporary roof or wall structure of any kind of temporary tarp, sheeting or other covering. How does this effect payment for loss or damage caused by windstorm, rain, etc. if temporary repairs are made to prevent additional damage or loss?

Response: If we understand your concerns, if temporary repairs are made to prevent additional loss or damage and rain from a storm enters through the temporary repairs, then there is coverage for that additional damage. This is considered a continuing loss.

Question 6. Section I Extensions of Coverage - Limited Water Coverage 1.(g) states " ... or other limit". Will a separate limit apply for water coverage?

Response: No, a separate limit does not apply to water damage. The "other limit" refers to the fact that certain personal property is subject to special limits.

Question 7. Item (a)(1) under Identity Fraud begins "a knowing". Please verify if this is grammatically correct. (Page 19) The limit under Identity Fraud on page 19 and the first paragraph of page 20 (c) reads \$28,500. The total aggregate limit shows \$30,000. Please verify the amounts.

Response: Item 9.(a)(1) is worded correctly, it refers back to item (a), which states "We will pay up to \$1,500 for loss sustained by an insured caused by any of the following..." The amount of coverage for indemnity for losses described in (9)(a) is \$1,500. The amount of

coverage for reimbursable costs and expenses described in 9.(b) is \$28,500. The total aggregate coverage for Identity Fraud is \$30,000.

Question 8. Section I – Uninsured Loss or Damage and Excluded Causes of Loss or Damage – (A) Uninsured Types of Loss or Damage is ambiguous, repetitive, and wordy. (Page 21)

* Response: As our response to your Question 5 explains, we recognize that including language that clarifies the coverage intent adds length to the policy, but we believe it serves to communicate the scope of coverage to our insureds.

Question 9. The Water Damage Uninsured Types of Loss or Damage appears to contradict or limit the Limited Water Coverage, Section I- Extensions of Coverage provision by the language "...and unless if by fire or lightning." Please amend. (Page 21)

Response: Water damage is an uninsured type of damage, and an excluded cause of loss. The only exception is the coverage for water damage provided in the Extension of Coverage for Limited Water Coverage. However, water damage resulting from fire or lightning is not subject to the general exclusion. For example, water damage from water used to put out a fire is not excluded.

Question 10. The Fungi provision under Uninsured Types of Loss or Damage does not appear to comply with Bulletin 10-2002. This provision provides coverage only if the fungi is the result of fire or lightning. The Bulletin requires damage or loss from fungi that results from any covered cause of loss or peril to be covered up to the dwelling limit. (Page 23)

Response: We will add the following highlighted language from our current endorsement H4170 approved by Arkansas:

10. Fungi.

* We do not insure loss or damage consisting of, composed of or which is fungi, unless if by fire or lightning and unless the fungi is located upon a portion of the residence premises which must be repaired or replaced because of direct physical damage as the result of a covered loss. Further, we do not insure any remediation or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from remediation of fungi.

Question 11. The language of the last paragraph of the Water exclusion is similar language deemed ambiguous by courts in other states. Please amend. (Page 24)

Response: We know of no case law which has found this type exclusionary language to be ambiguous. Please provide the citations for these cases so that we may review the holdings in the context of our proposed policy language.

OK Question 12. Terrorism may not be excluded from a personal lines policy. Please amend the Destructive Acts exclusion. (Page 26 and 39)

Response: We will remove the term "terrorism" from these two items.

Question 13. The last two paragraphs of the Emergency Services provision are unacceptable. It is our opinion that if the company dispatches a contractor, they very well should know whether the contractor is reputable.

* Response: When emergency services are required, an insured is often able to identify a contractor with whom he wants to work, and is able to contact that vendor. However, due to a variety of circumstances, each insureds is not able to do this. Including this provision allows us to assist our customers when there is need. We do not provide repairs or loss mitigation

1. The first part of the document is a list of the names of the persons who were present at the meeting.

2. The second part of the document is a list of the names of the persons who were absent from the meeting.

3. The third part of the document is a list of the names of the persons who were present at the meeting.

4.

services. We only provide indemnity to the insured for loss sustained by the insured. Consequently, we are in same position as the insured respecting the skill of any independent contractor providing repairs or loss mitigation services. We are merely advising the insured we will assist them in finding a repair person, however we will not vouch for that person and we do not represent to the insured any level of skill merely because we assist the insured.

Question 14. Please amend the Section II – Liability Exclusion, Destructive Acts. Terrorism may not be excluded from a personal lines policy.

Response: We will remove the term "terrorism."

Question 15. The Flesch score of 40.1 narrowly meets the minimum requirements of Rule 29.

Recalculate the score after the requested revisions have been made.

Response: The Flesch score is 41.3.

Question 16. Explain why the language that appears to be the earthquake deductible for the dwelling coverage is not shown under the Deductible provision page 2. ~~As written, it appears that the limit will be reduced by the deductible amount.~~ Please clarify the language.

Response: As stated in Endorsement J6261, the policy deductible does not apply to coverage under this endorsement. The deductible that applies to Coverage A is a percentage which the insured selects from those offered. This percentage is shown on page 1. There are no deductibles for Coverage B, Coverage C, ~~Coverage D or Loss Assessment~~. The \$2000 personal property limit is the amount of coverage we wish to offer for this peril.

Very truly yours,

Brian Sniegowski
Fire Product Management

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Arkansas Insurance Department

Mike Beebe
Governor



Julie Benafield Bowman
Commissioner

March 16, 2007

Mina Villegas
Regulatory Filings Technician
Farmers Insurance Group
4700 Wilshire Boulevard
PO Box 2478
Los Angeles, California 90099-4715

RECEIVED
MAR 28 2007
PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

RE: Farmers Insurance Exchange - 21652
Next Generation Homeowners Policy
Form Filing: FAR0740-100010

Dear Ms. Villegas:

This will acknowledge the receipt and review of the captioned form filing.

The following address policy form 56-5549:

The language "You are responsible for selecting the appropriate amount of coverage for..." appears to relieve the agent and company of any responsibility for the development of the coverage amounts. The agent is paid a commission to assist insureds in purchasing adequate coverage. They are considered professionals and should bear some responsibility. Please remove this language. (Page 5)

Labor may not be depreciated. Please amend the language under the definition of Actual Cash Value. (Page 6)

The definition of Property Damage appears to be ambiguous, specifically, the language under "property damage does not mean". Please provide examples of or clarify what would be excluded under b and c. (Page 9)

The first paragraph under Section I- Property Coverage, Section I - Loss or Damage Insured contains some of the same language found in the definition of property damage for liability, such as functional impairment and decrease in market value. Provide clarification and/or examples. Is hail damage to a roof covered? (Page 10)

The language of Section I- Property Coverage, Section I - Loss or Damage Insured in general is ambiguous, repetitive, and wordy. (Page 10)

March 16, 2007

Page 2 of 3

Section I - Extensions of Coverage - Limited Water Coverage states that "A roof or wall does not include a temporary roof or wall structure of any kind of temporary tarp, sheeting or other covering. How does this effect payment for loss or damage caused by windstorm, rain, etc. if temporary repairs are made to prevent additional damage or loss? (Page 14)

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The language of the last paragraph of the Water exclusion is similar language deemed ambiguous by courts in other states. Please amend. (Page 24)

Terrorism may not be excluded from a personal lines policy. Please amend the Destructive Acts exclusion. (Page 26 and 39)

The last two paragraphs of the Emergency Services provision are unacceptable. It is our opinion that if the company dispatches a contractor, they very well should know whether the contractor is reputable.

Please amend the Section II - Liability Exclusion, Destructive Acts. Terrorism may not be excluded from a personal lines policy.

The Flesch score of 40.1 narrowly meets the minimum requirements of Rule 29. Recalculate the score after the requested revisions have been made.

March 16, 2007

Page 3 of 3

Endorsement J6261:

Explain why the language that appears to be the earthquake deductible for the dwelling coverage is not shown under the Deductible provision page 2. As written, it appears that the limit will be reduced by the deductible amount. Please clarify the language.

The application of the deductible does not agree with the rate/rule.

The \$2000 personal property limit appears inadequate.

Please feel free to contact me if you have any questions.

Sincerely,



Becky Harrington
Certified Analyst
Property & Casualty Division
(501) 371-2804
(501) 371-2748 fax
E-mail: becky.harrington@arkansas.gov

CC: Bang Nguyen, Product Manager, Farmers
Brian Sniegowski -Assistant Product Manager - Farmers
Charlie Snyder, Executive Director-State Officer, Farmers
Bill Lacy, Director - Property & Casualty, AID

Arkansas Insurance Department

Mike Beebe
Governor



Julie Benafield Bowman
Commissioner

March 16, 2007

Mina Villegas
Regulatory Filings Technician
Farmers Insurance Group
4700 Wilshire Boulevard
PO Box 2478
Los Angeles, California 90099-4715

RE: Farmers Insurance Exchange - 21652
Next Generation Homeowners Policy
Form Filing: FAR0740-100010

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March 16, 2007

Page 2 of 3

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March 16, 2007

Page 3 of 3

Endorsement J6261:

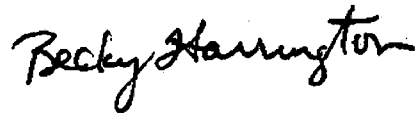
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The \$2000 personal property limit appears inadequate.

Please feel free to contact me if you have any questions.

Sincerely,



Becky Harrington

Certified Analyst

Property & Casualty Division

(501) 371-2804

(501) 371-2748 fax

E-mail: becky.harrington@arkansas.gov

CC: Bang Nguyen, Product Manager, Farmers
Brian Sniegowski - Assistant Product Manager - Farmers
Charlie Snyder, Executive Director-State Officer, Farmers
Bill Lacy, Director - Property & Casualty, AID



FARMERS

4700 WILSHIRE BLVD.
LOS ANGELES, CA 90010
(323) 932-3509
(323) 932-3950

www.farmersinsurance.com

March 1, 2007

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201

RECEIVED
MAR 05 2007
PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

Uec'd 50⁰⁰
CK# 3010561404

SUBJECT: HOMEOWNERS MODIFIED OPEN PERIL – NEW PROGRAM FILING –
NEXT GENERATION HOMEOWNERS POLICY
(Reference Number: FAR0740-100010)

Dear Commissioner:

AR-PC-07-023386

We respectfully submit for your review and approval a new homeowners product offering to be underwritten in the Farmers Insurance Exchange. Enclosed in this filing is the submission of our new contract and optional coverage endorsements, filed as a "New Program" in the Farmers Insurance Exchange only.

This product offers a customer-friendly, cost-effective, competitive insurance contract. We will offer this as our sole homeowners product to new business customers. We would like to make this policy available as soon as possible to serve our market, and therefore request an effective date of July 1, 2007 for New Business.

We anticipate submitting a separate filing for the rates and rules applicable to this new product at a later date.

Should you have any questions, please contact Pete Ducich at (323) 932-3509.

Very truly yours,
FARMERS INSURANCE EXCHANGE

Deb Settle, CPCU
Vice-President, Fire Product Management

DS: PD: jw

DECLARATIONS
HOMEOWNERS
Replaces all prior Declarations, if any

@@@@@@@@@@ @@@@@@
 @@@@@@

ISSUING OFFICE:
 @@@@@@@@@@@@@@@@@@
 @@@@@@@@@@@@@@@@@@

This policy will continue for successive policy periods, if: (1) we elect to continue this insurance, and (2) if you pay the renewal premium for each successive policy period as required by our rates, rules, forms and premium plans then in effect.

LOCATION OR DESCRIPTION OF RESIDENCE PREMISES:
(Same as mailing address unless otherwise stated.)

[illegible]

SECTION I - PROPERTY				SECTION II - LIABILITY		
A - DWELLING	B - SEPARATE STRUCTURES	C - PERSONAL PROPERTY	D - LOSS OF USE	E - PERSONAL LIABILITY	F - MEDICAL PAYMENTS TO OTHERS	
Each Occurrence	Each Occurrence	Each Occurrence	Each Occurrence	Each Occurrence	Each Person	
Annual Premium	Annual Premium	Annual Premium	Annual Premium	Annual Premium	Annual Premium	
SECTION I - EXTENSIONS OF COVERAGE				SECTION II - LIABILITY EXTENSIONS OF COVERAGE		ANNUAL PREMIUM
EXTENDED REPLACEMENT COST - COVERAGE A	CONTENTS REPLACEMENT COST - COVERAGE C	BUILDING ORDINANCE OR LAW	IDENTITY FRAUD COVERAGE	PERSONAL INJURY	LOSS ASSESSMENT	
Annual Premium	Annual Premium	Annual Premium	Annual Premium	Annual Premium	Annual Premium	

[illegible]

POLICY ACTIVITY (SUBMIT AMOUNT DUE WITH ENCLOSED INVOICE)

\$	Previous Balance		
	Premium		
	Fees		
	Payments or Credits		
<hr/>			
\$	Total		

ANY "TOTAL CREDIT \$7.00 WILL BE APPLIED TO NEXT BILLING OVER \$7.00 RECEIPT.

ANY "TOTAL" BALANCE OR CREDIT \$7.00 OR LESS WILL BE APPLIED TO YOUR NEXT BILLING. BALANCES OVER \$7.00 ARE DUE UPON RECEIPT.

Countersignature

Robert Woodstock
Authorized Representative

56-5479 1ST EDITION 6-06

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(Continued on the Reverse Side)

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(547911)

discuss

MESSAGES

[illegible][illegible][illegible]

THE FOLLOWING PROVISION APPLIES ONLY IF A MORTGAGEE IS NAMED IN THE DECLARATIONS OR RENEWAL NOTICE, AND THE MORTGAGEE HAS FORECLOSED ON THE PROPERTY PRIOR TO THE DATE OF LOSS: THE APPLICABLE DEDUCTIBLE FOR ANY INTEREST OF ANY MORTGAGEE WILL BE THE SMALLEST OF THE FOLLOWING AMOUNTS: 1) THE DEDUCTIBLE STATED IN THE DECLARATIONS OR RENEWAL NOTICE, OR 2) \$1,000. THIS PROVISION DOES NOT APPLY TO LOSS OR DAMAGE FROM EARTHQUAKE, WIND OR WINDSTORM INCLUDING HURRICANE, TROPICAL STORM OR CYCLONE, WHERE A SEPARATE, INCREASED DEDUCTIBLE APPLIES TO LOSS OR DAMAGE CAUSED BY ANY OF THESE PERILS.

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**SPECIFIED BUSINESS PURSUITS COVERAGE OFF RESIDENCE PREMISES
AMENDING SECTION II - LIABILITY COVERAGES E (PERSONAL LIABILITY)
AND F (MEDICAL PAYMENTS TO OTHERS)**

J6226
2nd Edition

For an additional premium, this policy is amended to insure the **business** named and described below, hereinafter called the "specified business".

This insurance will only apply if the specified business:

- a. is conducted off of the **residence premises**,
- b. is a **business** of an **insured**, and
- c. does not involve or consist of any home care services.

Name of **business**:

Description of **business**/type of instruction:

Address of **business**:

Section I - Property Coverage

This endorsement does not provide Section I coverage.

Section II - Liability Coverage

For purposes of this coverage:

- a. the specified business must be conducted within a **building structure**; and
- b. the location of the specified business within the **building structure** will be an **insured location**.

Personal injury coverage, if it is part of the coverage in the underlying policy, does not apply to the specified business.

Liability Exclusions

The following liability exclusion does not apply to the specified business: **2. Business**.

If the prime purpose of the specified business is teaching, or if the prime purpose is instructing, then the following liability exclusion also does not apply: **3. Business or professional services**.

All of the other liability exclusions do apply.

This insurance does not apply to **bodily injury** to an employee of the specified business.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of this policy.

**BUSINESS PURSUITS LIABILITY ENDORSEMENT
- INSURED AS EMPLOYEE**

J6229
2nd Edition

For an additional premium, this policy is amended as set forth below to cover **bodily injury** and **property damage** under **SECTION II - LIABILITY COVERAGE, Coverage E (Personal Liability)** for **business** pursuits of the **insured** for the **business** named below:

Insured:

@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@

Business:

@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@

Corporal Punishment of Pupils (teachers only) is ☐ included.

Corporal Punishment of Pupils (teachers only) is not ☐ included.

Corporal punishment includes by way of example but is not limited to any physical punishment or other physical disciplinary measure or physical restraint of a child.

EXCLUSIONS

The following **SECTION II - LIABILITY EXCLUSIONS** do not apply to **bodily injury** or **property damage** arising from, during the course of or in connection with any **business** pursuits for the **business** named above:

Business; and

Business or professional services

This insurance does not apply to:

1. **bodily injury** or **property damage** arising out of the **business** pursuits of the **insured** relating to a **business** solely owned by the **insured** or owned by a partnership or joint venture of which the **insured** is a partner or member.
2. **bodily injury** to a fellow employee of the **insured** injured in the course and scope of employment.

When the **insured** is a member of the faculty or teaching staff of any school or college, this insurance does not apply to:

1. **bodily injury** or **property damage** arising out of any act or omission of the **insured** relating to the maintenance, use, loading, unloading or entrustment to any person of:
 - a. draft or saddle animals;
 - b. vehicles for use with draft or saddle animals;
 - c. **aircraft**;
 - d. automobiles; or
 - e. watercraft;owned or operated, hired by or for the **insured** or employer, or used by the **insured**, for the purpose of instruction in use.
2. **bodily injury** to any pupil arising out of corporal punishment administered by or at the direction of the **insured** unless liability for corporal punishment of pupils is indicated above as included. Such **bodily injury** shall not be considered **bodily injury** caused intentionally by or at the direction of the **insured**.

This is not additional insurance.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

ADDITIONAL INSURED - COVERAGE A AND B
COVERAGE E AND F

J6230
2nd Edition

Named Insured:

-

- ## - ##
Policy Number
of the Company designated
in the Declarations

Effective Date: ##-##-####

Location of Residence Premises:

-

In consideration of the premium paid, we agree with you to the following:

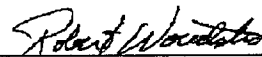
1. ☐ Applicable only when indicated by an "X".
The insurance provided by this policy, for Section I, Coverage A (**dwelling**) and Coverage B (**separate structures**) shall apply to the interest of the additional insured named below.
2. ☐ Applicable only when indicated by an "X".
The insurance provided by this policy for Section II, Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) shall apply to the additional insured named below. We will pay those damages which the additional insured becomes legally obligated to pay because of **bodily injury** or **property damage** resulting from an **occurrence** arising out of the **residence premises** shown above.
3. The additional insured shall not be or become liable for any premium payments. If this policy is cancelled for any reason we will give ten (10) days notice in writing to the additional insured named below.

Name and address of additional insured:

-

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Countersigned



Authorized Representative

WATERCRAFT LIABILITY

J6231
2nd Edition

In exchange for additional premium, Coverage E - Personal Liability and Coverage F - Medical Payments to Others apply to **bodily injury** or **property damage** arising out of the watercraft below.

Coverage is extended for the watercraft shown below for your:

- a. ownership, maintenance and operation;
- b. use and occupancy;
- c. loading and unloading;
- d. moving and movement;
- e. entry and exit.

Coverage is extended if you entrust watercraft described below to any person.

Coverage is extended to your negligent supervision of any person with regard to the watercraft below.

Section II - Liability Exclusions 15. Aircraft, Motor Vehicles or Watercraft, subsections c.(1), (2) (3), and (4) and 16. Entrustment and Negligent Supervision - Aircraft, Motor Vehicles, do not apply to watercraft described below.

1. Watercraft powered by an outboard motor(s) of more than 25 total horsepower, by any combination of outboard, inboard or inboard-outdrive motor(s) of more than 50 horsepower or by **water** jet propulsion motor power:

	Outboard Watercraft	Inboard, Inboard-outdrive or Water Jet Propulsion Watercraft
Watercraft Description	@@	@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@
Outboard motor(s) / total horsepower	@@	@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@
Inboard, Inboard-outdrive or Water Jet Propulsion motor / horsepower	@@	@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@
Length of Watercraft	@@	@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@
Rated Speed/Miles Per hour	@@@@@@@@	@@@@@@@@

2. Sailing vessel, with or without auxiliary power, 26 feet or more in overall length:

Description	@@	@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@
Horsepower	@@	@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@
Length of Watercraft	@@	@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@

Coverage is not extended:

- a. to watercraft while it is used in, or while it is practicing for, any race, speed contest or any other competitive event. This applies if the event is organized or not. This applies if the event is professional or not. But, this does not apply to sailboats, whether they have auxiliary power or not. Also, this exclusion does not apply to predicted log cruises;
- b. while the watercraft is used to carry persons for a charge;
- c. while the watercraft is rented to others;
- d. to a **residence employee** whose prime duties relate to the watercraft.

HOME CHILD CARE SERVICES ENDORSEMENT

J6232
1st Edition

For an additional premium, this policy is amended as set forth below to cover **bodily injury** and **property damage** resulting from an **occurrence** under Section II - Liability Coverage for home child care services provided that the number of children for which any **insured** is providing such home child care services does not exceed: @@@

As a condition of this coverage, you will maintain any and all licenses required by any governmental agency or body.

SECTION II - LIABILITY EXCLUSION 13. Home care services is deleted in its entirety and replaced with the following:

13. Home care services.

a. We do not cover **bodily injury**, **property damage** or **personal injury** arising from, during the course of or in connection with any type of home care services, whether licensed or not or otherwise approved by a governmental agency or body, provided to any person on a regular basis by or at the direction of:

1. any **insured**;
2. any employee of any **insured**; or
3. any other person actually or apparently acting on behalf of any **insured**.

Regular basis means more than a cumulative 20 hours per week provided to one person or a group of persons whether that person is the injured party or not.

b. This exclusion does not apply to:

1. home care services provided to an **insured's** relative, who is not a resident of your household;
2. occasional or part time home care services provided by any **insured** under 21 years of age;
3. the providing of home care services or babysitting services for which compensation is not received, other than the mutual exchange of such services; or
4. **bodily injury** or **property damage** arising from, during the course of or in connection with any licensed home child care services provided on a regular basis by or at the direction of any **insured(s)** on or from the **residence premises** to children who are not an **insured** if the home child care services are being provided by the **insured(s)** for no more than the number of children indicated above.

The following Section II - Liability Exclusions do not apply to **bodily injury** or **property damage** arising from, during the course of or in connection with any home child care services provided on a regular basis by or at the direction of any **insured** on or from the **residence premises** to any child who is not an **insured** if the home child care services are being provided for no more than the number of children indicated above:

2. **Business**; and
3. **Business or professional services**

All other Liability Exclusions apply.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

MODIFIED LOSS SETTLEMENT ENDORSEMENT

J6234
2nd Edition

In exchange for a reduction in your premium, you have agreed to the Loss Settlement provisions set forth below.

You have agreed to:

1. a **stated limit** of insurance for Coverage A (**Dwelling**) that is lower than the estimated cost to replace the **dwelling**. This will result in a lower limit for any coverage that is a percentage of Coverage A, including but not limited to **Separate Structures, Personal Property, and Loss of Use**;
2. our use of less costly but functionally equivalent construction and materials in settling loss or damage to **building structures** under Coverage A (**Dwelling**) and Coverage B (**Separate Structures**). Replacing custom, obsolete, upgraded or unique construction or materials means a higher replacement cost; and
3. our use of replacement cost less depreciation for settlement of all **separate structures** other than **building structures**.

You understand and agree that in the event of a loss, you may not have enough coverage to completely repair or return a damaged **building structure** to its pre-loss custom, upgraded or unique condition. Please read this endorsement carefully.

SECTION I - PROPERTY CONDITION, 5.a. How we settle covered loss, Coverage A (Dwelling) and Coverage B (Separate Structures), is deleted and replaced with the following:

5. How we settle covered loss.

a. Coverage A (Dwelling) and Coverage B (Separate Structures).

1. Settlement for covered loss or damage to **building structures** under Coverage A (**Dwelling**) or Coverage B (**Separate Structures**) will be settled as follows:

- a) Repair cost - if you decide to repair or replace the damaged or destroyed **building structure**, we will pay the smallest of the following amounts:

- i. the **stated limit** or other limit of insurance under this policy that applies to the damaged or destroyed property; or
- ii. the amount you actually and necessarily spend to repair or replace damage to the property based on the same occupancy and use; or
- iii. the loss to the interest of the **insured** in the property.

Repair or replacement will be based on the use of common construction methods and basic common standard grade materials, surfaces, finishes and fixtures, locally available, which are equal in function and less costly than obsolete, antique, custom, upgraded or unique construction methods, materials, surfaces, finishes or fixtures.

- b) Market value - if the **building structure** is a total loss and you decide not to repair or replace the damaged or destroyed property, we will pay the smallest of the following amounts:

- i. the **stated limit** or other limit of insurance under this policy that applies to the damaged or destroyed property.
- ii. fair market value of the property at the time of loss or damage, meaning the price that a willing buyer would pay a willing seller, or
- iii. the loss to the interest of the **insured** in the property.

- c) Repair cost less depreciation - if the property is a partial loss and you decide not to repair or replace the damaged or destroyed property, we will pay the smallest of the following amounts:

- i. the **stated limit** or other limit of insurance under this policy that applies to the damaged or destroyed property.
- ii. the amount you would necessarily have to spend to repair or replace damage to the property intended for the same occupancy and use or purpose, less a fair and reasonable deduction for physical depreciation.
- iii. the loss to the interest of the **insured** in the property.

Repair or replacement will be estimated using common construction methods and basic common standard grade materials, surfaces, finishes and fixtures, locally available, which are equal in function and less costly than obsolete, antique, custom, upgraded or unique construction methods, materials, surfaces, finishes or fixtures.

2. Loss settlement for **separate structures** that are not **building structures** will be settled at **actual cash value**, but for no more than the smallest of the following:

- i. the **stated limit** or other limit of insurance under this policy that applies to the damaged or destroyed property that applies; or
- ii. the loss to the interest of the **insured** in the property.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

**INCREASED LIMITS ON PERSONAL PROPERTY
IN OTHER RESIDENCES COVERAGE C**

J6237
1st Edition

For an additional premium, the Coverage C (Personal Property) limit at an **insured's** residence, other than the **residence premises**, is increased by the amount shown for the location listed below:

Location 1

.....

Increase in Limit: \$

Location 2

.....

Increase in Limit: \$

Location 3

.....

Increase in Limit: \$

Location 4

.....

Increase in Limit: \$

All other provisions of this policy apply.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

when used?

CERTIFICATE AS TO EVIDENCE OF INSURANCE AND/OR
ADDITIONAL INSURED ENDORSEMENT

J6238
2nd Edition

Insured:

-

Bodily Injury and

Property Damage Liability Limit: #####

Agent Number:

##

Endorsement effective:

- ## -

Primary policy number:

- ## -

Policy period

from: ## - ## - ####

to: ## - ## - ####

Coverage is indicated by an "X".

PART I. CERTIFICATE AS TO EVIDENCE OF INSURANCE

☐ APPLICABLE

☐ NOT APPLICABLE

THIS IS NOT AN INSURANCE POLICY. THIS IS ONLY A VERIFICATION OF INSURANCE. THIS DOES NOT IN ANY WAY AMEND, EXTEND OR ALTER THE COVERAGE PROVIDED BY THE POLICY LISTED ABOVE.

This certificate is subject to all of the terms, conditions and limitations set forth in the policy. It is furnished as a matter of information only. It does not change, and it does not modify or extend the policy listed above in any way. It supersedes all previously issued certificates.

PART II. ADDITIONAL INSURED ENDORSEMENT

☐ APPLICABLE

☐ NOT APPLICABLE

Additional Insured (name and address):

-

Location and description of property or equipment (year/trade name/identification number):

#####

We agree with you that the additional insured named above is only covered under SECTION II - LIABILITY COVERAGE, Coverage E (Personal Liability) and Coverage F (Medical Payments to Others). The additional **insured** named above is only covered for **bodily injury** and **property damage** that results from an **occurrence** for which the **insured** is or becomes legally obligated to pay damages. The **bodily injury** or **property damage** must be caused by the acts or omissions of the **insured** named above, and the **insured** must be the owner or have care, custody or control of the property or the equipment shown above.

The additional insured coverage provided by this endorsement will not apply to any liability or damages arising out of or resulting from:

- the acts or omissions of the additional **insured** named above, its agents or its employees; or
- any faulty, inadequate or defective materials, design, planning, maintenance, repairs, manufacture, construction, specifications, or workmanship in or to the property or equipment described in this endorsement.

The additional **insured** named above shall not be or become liable for any premium payments for this policy.

The insurance afforded by the policy described above is subject to all terms of the policy. This endorsement does not increase the limits of the policy.

**SPECIFIED BUSINESS PURSUITS COVERAGE
ON RESIDENCE PREMISES
AMENDING SECTION I - PROPERTY AND SECTION II - LIABILITY**

J6243
2nd Edition

For an additional premium, this policy is amended to insure the **business** named and described below, hereinafter called the "specified business".

This insurance will only apply if the specified business:

- a. is conducted on the **residence premises**,
- b. is a business of an **insured**, and
- c. does not involve or consist of any home care services.

Name of Business:

@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@

Description of business/type of instruction:

@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@

The specified business is conducted in:

- ☐ 1. The **dwelling**.
- ☐ 2. A **separate structure(s)** on the **residence premises** and described as
@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@

**Section I - Property Coverage
Coverage B - Separate Structures**

Loss or damage to the above described **separate structure(s)** is not insured under Coverage B unless a limit of insurance is indicated below:

\$ @@@@@@@@ limit of insurance.

If a limit of insurance is indicated, then loss or damage to the above described **separate structure(s)** is subject to this limit. The Coverage B **stated limit** does not apply to the above described **separate structure(s)**.

Coverage C - Personal Property

The furnishings, office supplies and equipment used in the specified business are covered subject to the Coverage C **stated limit**. Samples and inventories are not covered. Samples and inventories include raw materials, goods in progress or finished goods.

The Special Limit On Certain Personal Property, Business property, other than Electronic data processing equipment, does not apply to the furnishings, the office supplies and the equipment used in the specified business.

**Section II - Liability Coverage
Liability Exclusions**

The following liability exclusion does not apply to the specified business:

2. Business.

If the primary purpose of the specified business is teaching or instructional, then the following liability exclusion also does not apply:

3. Business or professional services.

All of the other liability exclusions apply.

Personal injury coverage, if covered in the underlying policy, does not apply to the specified business.

This insurance does not apply to **bodily injury** to an employee of the specified business.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

CONTRACT OF SALE CLAUSE

J6244
1st Edition

Buyer's Name and Address:

-

You have made a contract to sell the **dwelling** covered under this policy to the above buyer(s). Both your interest and the interest of the buyer(s) in the **dwelling** are covered under this policy. This endorsement is subject to the terms, conditions and provisions, including the Mortgagee clause, of this policy.

This endorsement does not increase the limits of this policy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Seller's Name and Address:

-

LOSS PAYABLE CLAUSE ENDORSEMENT

J6245
1st Edition

Named **Insured**:

-

- ## - ##

Policy Number
of the Company designated
in the Declarations

Effective Date: ## - ## - #####

Any loss to the personal or business property described below will be adjusted with and payable to only the named **insured** shown on the declarations or renewal notice and the interested party named below, as their interests may appear.

Lease/Loan Number: #####

Interested Party:

-

This endorsement applies only to the property listed and described below:

☐ Personal or Business Property

☐ #####

#####

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

J6246
1st Edition

For additional premium, the following coverages are added to this policy:

Farm or Ranch Liability: This insurance is subject to the Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) **stated limits.**

Animal Collision Coverage: This insurance is subject to the per animal and per collision limits set forth in this endorsement under V. Section I - Extensions of Coverage, Animal Collision Insurance. This is not additional insurance.

II. OPTIONAL INCIDENTAL FARM OR RANCH COVERAGES

Insurance applies only to the coverage(s) below for which an additional premium has been paid and is indicated by an [X] below.

Scheduled Farm or Ranch Buildings, Barns and Other Structures: We insure only the items of property for which a specific limit of insurance is shown. The specific limit is the maximum amount we will pay for covered loss or damage to each item. This is additional insurance and is not subject to the Coverage B (**Separate Structures**) **stated limit**.

Item No: @@@@

Limit of Insurance: @@@@ @@@@

Description:

[illegible]

Scheduled Farm or Ranch Personal Property. We insure the following items of **farm or ranch personal property** for the specific limit of insurance which is shown. The specific limit is the maximum amount we will pay for covered loss or damage to each item. This is additional insurance and is not subject to the Coverage C (Personal Property) **stated limit**. If **poultry** is scheduled, the limit of insurance on turkeys will not exceed 10% of the limit of insurance for **poultry**.

Item No: @@@@

Limit of Insurance: @@@@

Description:

[illegible]

III. DEFINITIONS

The definitions in the policy apply. The following also apply:

Definition 6., **Business**, is amended by adding the following:

Business does not include **farming or ranching**.

Custom farming means **farming or ranching** operations performed by an **insured** for a charge under a contract with others. It includes the use of farm or ranch tractors, trailers and implements, draft animals and other farm or ranch machinery.

Farming or ranching means the ownership, maintenance or use of an **insured location** for the production of crops or the raising or care of **livestock** or **poultry**, including all necessary operations. It includes the operation of roadside stands maintained principally for the sale of an **insured's** farm or ranch products.

Farm or ranch employee means an employee of any **insured** whose duties are principally in connection with the **farming or ranching** operations of that **insured**, but does not include a **residence employee** or an employee while engaged in an **insured's** business.

Farm or ranch contract labor means farm or ranch labor performed for a specific compensation by any person, other than an **insured**, a **residence employee** or a **farm or ranch employee**.

Farm or ranch personal property means equipment, supplies and products of **farming or ranching** operations, including but not limited to feed, seed, fertilizer, **livestock**, other animals, **poultry**, grain, bees, fish, worms, produce and agricultural machinery, vehicles and equipment.

Grain means threshed seeds or beans, silage, ground feed and processed stock foods, in buildings, structures, sacks, wagons or trucks. This does not include grain under government loan.

Improvements and betterments means fixtures, alterations, installations and additions to buildings or structures made at your expense, over and above any rent paid by you, and which cannot be legally removed.

Definition 14., **Insured**, is amended to include the following:

Insured also means:

1. any person or organization legally responsible for the use of owned farm or ranch animals provided the use is with your permission.
2. any **farm or ranch employee** while engaged in your employment or while operating your farm or ranch machinery.

Definition 15., **Insured location**, is amended to include:

Insured location also means:

1. vacant farm or ranch land owned by or rented to any **insured**;
2. any farm or ranch premises (including grounds and private approaches) and the **residence premises**; and
3. any farm or ranch premises acquired by you during the policy period.

Livestock means cattle, sheep, swine, goats, horses (but not race horses, show horses or show ponies), mules and donkeys.

Poultry means **poultry** in buildings or structures only. **Poultry** includes by way of example but is not limited to domesticated species of birds reared for eggs, meat or feathers, including chickens, ducks, geese, turkeys, guinea fowls, quail, ostriches and pheasant.

Definition 27., **Residence employee**, is amended as follows:

Residence employee means an employee of an **insured** whose duties pertain to the maintenance or use of the **residence premises** or who performs similar duties elsewhere which do not pertain to **business** pursuits or **farming or ranching** operations of an **insured**.

IV. SECTION I - PROPERTY COVERAGES

Unless otherwise specifically indicated in this endorsement, all property coverage is subject to the terms, exclusions (referred to in the policy as UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE), deductibles and conditions of the policy.

The following is added:

SECTION I - FARM OR RANCH BUILDINGS, BARN AND OTHER STRUCTURES

Unless insurance is provided in this endorsement by specifically scheduling the following property and paying the additional premium, we do not insure:

Farm or ranch buildings, barns and other structures.

We do not insure farm or ranch fences.

If you do not own the building, barn or structures, your **improvements or betterments** are insured if such **improvements or betterments** are scheduled with a limit of insurance.

SECTION I - SCHEDULED FARM OR RANCH PERSONAL PROPERTY

If insurance is provided, we insure your scheduled **farm or ranch personal property** for the perils shown in **SECTION I - UNSCHEDULED OR SCHEDULED FARM OR RANCH PERSONAL PROPERTY - PERILS INSURED AGAINST**.

The limit of insurance for each item is as scheduled in this endorsement.

SECTION I - UNSCHEDULED FARM OR RANCH PERSONAL PROPERTY - SPECIAL LIMIT

We insure your unscheduled **farm or ranch personal property**, subject to the **UNSCHEDULED FARM OR RANCH PERSONAL PROPERTY NOT INSURED** listed below, while on an **insured location**, for the perils shown in **SECTION I - UNSCHEDULED OR SCHEDULED FARM OR RANCH PERSONAL PROPERTY - PERILS INSURED AGAINST**.

The limit of insurance for all such property is \$3,000, except that there is a special limit of \$500 per head of **livestock**.

SECTION I - UNSCHEDULED OR SCHEDULED FARM OR RANCH PERSONAL PROPERTY - PERILS INSURED AGAINST

Farm or ranch personal property, whether unscheduled or, if insurance is provided, scheduled, are covered, only for the perils or extensions of coverage specified below:

- a. fire or lightning;
- b. windstorm or hail;
- c. smog, smudging or smoke;
- d. explosion (other than nuclear explosion);
- e. riot or civil commotion;
- f. **aircraft** or vehicles;
- g. vandalism or malicious mischief;
- h. collapse of a **building structure** or structural part of the **building structure**;
- i. theft;
- j. falling objects;
- k. weight of ice, snow or sleet which causes damage to **farm personal property** contained in a building;
- l. **limited water coverage**; and
- m. sudden and accidental damage from artificially generated electrical current.

SECTION I - UNSCHEDULED FARM OR RANCH PERSONAL PROPERTY NOT INSURED

In addition to the personal property specified in Section I - Types of Personal Property Not Insured in the policy, we do not insure:

1. **Farm or ranch personal property** which is specifically insured elsewhere in this or any other policy;
2. **Farm or ranch personal property** specifically scheduled in this endorsement;

3. Crops of any kind, including by way of example but not limited to hay, tobacco, cotton, vegetables, root crops, bulbs, fruit, and crops in the open. Crops in the open means unharvested agriculture crops, growing or in stacks, shocks, swathes, or piles;
4. Contents of potato, bulb or fruit cleaning, grading, sorting, packing or storage buildings;
5. All contents of **poultry** houses, including but not limited to chicken fryer or broiler houses, laying houses, **poultry** brooder houses, duck or turkey houses;
6. Windmills, wind-chargers and their towers, and outdoor radio and television equipment;
7. Bulk milk tanks, bulk feed tanks, barn cleaners, pasteurizers, boilers and any permanent fixture attached to or within a building;
8. Bee boards, beehives and bee larvae;
9. Brooders and incubators;
10. Threshing machines, tractors, combines, corn pickers, hay balers, harvesters, potato diggers, peanut diggers, cotton pickers, crop driers and sawmill equipment;
11. Manufactured gas, liquefied petroleum gas, gasoline and their containers;
12. Race horses, show horses and show ponies; or
13. Irrigation equipment.

SECTION I - TYPES OF PERSONAL PROPERTY NOT INSURED

The policy provisions under **SECTION I - TYPES OF PERSONAL PROPERTY NOT INSURED** all apply to **farm and ranch personal property**.

Item 3., is revised as follows:

3. any animal or creatures, including by way of example but not limited to mammals, birds, fish, reptiles, insects and spiders, but not **livestock** or **poultry**;

Item 6., **motor vehicles**, is revised as follows:

6. **motor vehicles**, however we do cover:

- a. a motorized golf cart not subject to **motor vehicle** registration:
 - (1) while on the golf course and used for golfing purposes; or
 - (2) while in a private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains the **residence premises**;
- b. lawn, garden or **farm or ranch personal property** which is not designed for use on public roads and which is principally used on an **insured location**;
- c. recreational vehicles designed principally for off road recreational use that are only used on the **residence premises**, including by way of example but not limited to, all terrain vehicles; and
- d. a motorized assisted living device designed to assist the disabled.

V. SECTION I - EXTENSIONS OF COVERAGE

The following Extensions of Coverage are added to the policy. Unless otherwise stated, these Extensions of Coverage are subject to all the policy terms, exclusions (referred to in the policy as **UNINSURED LOSS OR DAMAGE** and **EXCLUDED CAUSES OF LOSS OR DAMAGE**), deductibles and conditions.

Specifically Insured Farm or Ranch Machinery. We insure items acquired as replacements of farm or ranch machinery and equipment specifically scheduled in this endorsement. The limit of insurance is the limit shown on the schedule for the item which was replaced, plus \$5,000, but not exceeding the **actual cash value** of the item as replaced. The additional \$5,000 of insurance ceases 30 days from the date the replacement item is acquired.

Newly Acquired Farm or Ranch Equipment, Machinery and Vehicles. We insure newly acquired machinery, vehicles and equipment which are not replacement items. Insurance on items of farm or ranch equipment such as tractors, combines, harvesters, corn pickers, hay balers, and other farm or ranch machinery and vehicles is limited to \$5,000 for all such items combined.

This insurance applies for 30 days from the date of acquisition. Within 30 days of acquisition you must schedule the new farm or ranch equipment, machinery and/or vehicle and pay the additional premium required.

Animal Collision Insurance

We will pay for loss by death caused by a collision of any cattle, horse, hog, sheep, donkey, burro, mule or goat owned by an **insured** if:

1. the death is caused by a collision between such animal and a vehicle not owned or operated by an **insured** or any employee; and
2. the collision occurs while such animal:
 - a. is within a public highway;
 - b. is not being transported; and
 - c. is not used for commercial purposes, breeding, training, racing or show.

The limit of insurance for any covered loss by collision is market value, not to exceed:

1. \$1,500 per animal; and
2. \$7,500 for all animals in any one collision event.

VI. HOW WE SETTLE COVERED LOSS

A. Scheduled Farm or Ranch Buildings, Barns and Other Structures. Covered loss or damage to scheduled farm or ranch buildings, barns and other structures will be settled in accordance with Condition 5., How we settle covered loss, under Section I - Property Conditions.

B. Farm or Ranch Personal Property. Covered loss to scheduled and unscheduled **farm or ranch personal property**, except **livestock** and **poultry**, will be settled at **actual cash value**. Payment will not exceed the amount actually needed to repair or replace the damaged property, or the limit of insurance applying to the property, whichever is less.

When this endorsement covers **livestock**, except as otherwise provided in the Animal Collision Extension of Coverage, we will pay no more than the smallest of the following per head of **livestock**:

1. The amount obtained by dividing the total insurance on each class of **livestock** by the number of head in the class owned by the **insured** at the time of loss. For the purpose of this clause, each horse, mule or head of cattle under one year of age at the time of loss will be counted as one-half head.
2. The **actual cash value** of the animal destroyed or damaged.
3. \$500, unless a higher limit per head is shown on the schedule for each class of **livestock**.

When this endorsement covers **poultry**, we will pay no more than the market value on the farm or ranch at the time of loss. If **poultry** is scheduled, the limit of insurance on turkeys will not exceed 10% of the limit of insurance for **poultry**.

C. Improvements and Betterments. Covered loss or damage to **Improvements and Betterments** will be settled as follows:

1. We will pay for the **actual cash value** of the damaged or destroyed property if repaired or replaced at your expense within 12 months after loss.
2. If the damaged or destroyed property is not repaired or replaced within 12 months after loss, we will pay part of the original cost. This will be the ratio between:
 - a. the unexpired term of the lease at the time of loss; and
 - b. the age of the improvements and betterments at the time the lease expires.

VII. DEDUCTIBLE

We pay for loss to covered property less the Deductible amount shown in the Declarations. The deductible shown applies separately to each loss.

VIII. SECTION II - LIABILITY COVERAGES

For purposes of this endorsement only, Section II - Liability is amended to include the following:

Farm or Ranch Liability

Except as otherwise provided in this endorsement, and subject to the terms, exclusions, and conditions of the policy, Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) apply to liability arising out of the ownership, maintenance or use of a farm or ranch, including **custom farming operations**.

Personal injury coverage, if applicable, does not apply to liability arising out of the ownership, maintenance or use of a farm or ranch, including **custom farming operations**.

Coverage F (Medical Payments to Others)

Coverage under Coverage F is amended to include the following:

This coverage applies to persons on an **insured location** with the permission of an **insured**, or to persons off an **insured location** if the **bodily injury** is caused by a **farm or ranch employee** who is in the course and scope of employment by an **insured** as a **farm or ranch employee**.

SECTION II - LIABILITY EXCLUSIONS

Exclusions Applying to Farm or Ranch Liability

Unless otherwise provided in this endorsement, the exclusions in the policy apply. In addition, the following additional exclusions apply:

We do not cover **bodily injury** or **property damage** which is caused by or arises out of the transmission of a communicable animal sickness, disease, or disorder, including by way of example but not limited to avian flu, rabies, hunta virus, west Nile virus, or lyme disease.

We do not cover **bodily injury** to any **farm or ranch employee** if the **bodily injury** arises out of and in the course and scope of his/her employment by an **insured**.

We do not cover **property damage**:

- a. to non-owned property in the care, custody, or control of an **insured**. However, we do cover damages you become legally obligated to pay because of **property damage** to any **insured location**, other than farm or ranch premises, or house furnishings if such **property damage** arises out of fire, explosion, or smoke or smudge caused by sudden, unusual and faulty operation of any heating or cooking unit;
- b. to farm or ranch products manufactured, sold, handled or distributed by any **insured**, or work performed by or for any **insured** arising out of such products or work; or
- c. resulting from any substance released or discharged from any **aircraft**.

We do not cover **bodily injury**:

- a. to any person while on an **insured location** because a **business** is conducted or professional services are rendered there; or
- b. to a **farm or ranch employee** or other person engaged in work incidental to the maintenance or use of an **insured location** as a farm or ranch. This exclusion does not apply to any other person while on the premises in a neighborly exchange or assistance for which an **insured** is not obligated to pay any money.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

**SPECIFIC LIMITS
ON SEPARATE STRUCTURES**

J6248
2nd Edition

For an additional premium, the limits of insurance on the **separate structures** identified below shall be considered specific limits of insurance for these structures.

This coverage is additional insurance. It does not increase the Coverage B **stated limit**. Loss or damage to any **separate structure** described below is not subject to the Coverage B **stated limit**. Any Section I - Extension of coverage which applies to **separate structures** will apply to the **separate structures** listed below and the applicable percentage determination will be based on the specific limit of insurance shown below.

1. Description of **Separate Structure**:

@

Specific Limit of Insurance:

\$ *****

2. Description of **Separate Structure**:

@

Specific Limit of Insurance:

\$ *****

3. Description of **Separate Structure**:

@

Specific Limit of Insurance:

\$ *****

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

SEPARATE STRUCTURE EXCLUSIONARY
ENDORSEMENT

J6250
2nd Edition

Named Insured:

-

- ## - ##
Policy Number of the
Company designated
in the Declarations

Effective Date: ##-##-####

This endorsement amends your policy as follows:

Under Section I - TYPES OF PROPERTY INSURED, Coverage B (**Separate Structures**) the following is added:

We do not insure the **separate structures** described below:

Description of **separate structure** (Include dimensions and location on **residence premises**).

1. #####
#####
2. #####
#####
3. #####
#####
4. #####
#####
5. #####
#####

SECTION I - TYPES OF PROPERTY INSURED, Coverage C (Personal Property) is deleted and replaced with the following:

Coverage C (Personal Property)

We insure personal property owned or used by an **insured** anywhere in the world, except for the personal property contained in a **separate structure(s)** shown above. At your request after a loss, we will also insure personal property:

1. owned by others while it is on the part of the **residence premises** occupied by an **insured**. But, property of tenants not related to that **insured** is not covered; and
2. owned by and in the control of a **residence employee** while in the service of an **insured** anywhere in the world. But, property in a **separate structure(s)** shown above is not covered.

SECTION II - LIABILITY COVERAGE, Coverage E (Personal Liability) is subject to the following:

This coverage does not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of a **separate structure(s)** shown above.

SECTION II - LIABILITY - Coverage F (Medical Payments To Others), is subject to the following:

This coverage does not apply to **bodily injury** arising out of the ownership, maintenance, or use of a **separate structure(s)** shown above.

Accepted by _____
Named Insured

Date _____

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

SEPARATE STRUCTURE EXCLUSIONARY
ENDORSEMENT

J6250
2nd Edition

Named Insured:

-

- ## -

Policy Number of the
Company designated
in the Declarations

Effective Date: ##-##-####

This endorsement amends your policy as follows:

Under Section I - TYPES OF PROPERTY INSURED, Coverage B (**Separate Structures**) the following is added:

We do not insure the **separate structures** described below:

Description of **separate structure** (Include dimensions and location on **residence premises**).

1. #####
#####
2. #####
#####
3. #####
#####
4. #####
#####
5. #####
#####

SECTION I - TYPES OF PROPERTY INSURED, Coverage C (Personal Property) is deleted and replaced with the following:

Coverage C (Personal Property)

We insure personal property owned or used by an **insured** anywhere in the world, except for the personal property contained in a **separate structure(s)** shown above. At your request after a loss, we will also insure personal property:

1. owned by others while it is on the part of the **residence premises** occupied by an **insured**. But, property of tenants not related to that **insured** is not covered; and
2. owned by and in the control of a **residence employee** while in the service of an **insured** anywhere in the world. But, property in a **separate structure(s)** shown above is not covered.

SECTION II - LIABILITY COVERAGE, Coverage E (Personal Liability) is subject to the following:

This coverage does not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of a **separate structure(s)** shown above.

SECTION II - LIABILITY - Coverage F (Medical Payments To Others), is subject to the following:

This coverage does not apply to **bodily injury** arising out of the ownership, maintenance, or use of a **separate structure(s)** shown above.

Accepted by _____
Named Insured

Date _____

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

**INCREASED SPECIAL LIMITS ON
CARDS AND COMIC BOOKS - COVERAGE C**

J6251
1st Edition

Effective _____
Date: @@ - @@ - @@@@

Policy Number
of the Company designated
in the Declarations

For additional premium, the total limit shown in your policy under **Coverage C - Special Limits on Certain Personal Property** is changed as follows:

Total Limit

(10.) Cards and comic books.

\$ @@@@@@@@@@

Collectible cards, comic books, sports cards, game cards
and trading cards of any kind.

The maximum limit of \$200 on any one card stated in the
policy will apply to the new increased amount.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise
subject to all other terms of the policy.

**INCREASED SPECIAL LIMITS ON
CARDS AND COMIC BOOKS - COVERAGE C**

J6251
1st Edition

Effective
Date: @@ - @@ - @@@@

@@@@@ - @@ - @@
Policy Number
of the Company designated
in the Declarations

For additional premium, the total limit shown in your policy under **Coverage C - Special Limits on Certain Personal Property** is changed as follows:

Total Limit

\$ @@@@@@@@@@

(10.) Cards and comic books.

Collectible cards, comic books, sports cards, game cards
and trading cards of any kind.

The maximum limit of \$200 on any one card stated in the
policy will apply to the new increased amount.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise
subject to all other terms of the policy.

J6252
1st Edition

Coverage under this endorsement is not subject to the Section I - Property Deductibles.

TOTAL INSURANCE FOR ALL ARTICLES	CLASS OF PERSONAL PROPERTY AS SCHEDULED	PREMIUM
\$ @@@@@@@@@@	Jewelry - Deductible per item (if any) \$ @@@@@@@@@@	\$ @@@@@@@@@@
\$ @@@@@@@@@@	Furs and garments trimmed with fur or consisting principally of fur	\$ @@@@@@@@@@
\$ @@@@@@@@@@	Silverware gold ware, platinumware, pewter ware, including plated ware	\$ @@@@@@@@@@
\$ @@@@@@@@@@	Fine Arts	\$ @@@@@@@@@@
\$ @@@@@@@@@@	Firearms	\$ @@@@@@@@@@
	Total	\$ @@@@@@@@@@

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

4. DESCRIPTION:

AMOUNT OF INSURANCE:

MANUFACTURER:

MARKS and NO's:

The following Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage does not apply to the property scheduled on this endorsement:

20. Mysterious Disappearance

PERSONAL PROPERTY NOT COVERED

Silverware. We do not cover pens, pencils, flasks, smoking implements and articles of personal adornment even if made of silver.

Fine Arts. We do not cover Fine Arts while on exhibit or display, or in any exposition, showing, gallery, museum or similar venue, unless the premises are covered by this policy.

TERRITORIAL LIMITS

This insurance covers your scheduled personal property described in this endorsement, anywhere in the world, except as provided below:

1. **Firearms** and their accessories are covered only in the Western Hemisphere.
2. **Fine Arts** are covered only in the Continental United States and Canada.

ADDITIONALLY ACQUIRED PROPERTY

We cover newly acquired property of a class for which an article is already scheduled in this endorsement, only if you:

1. report the new acquisition to the Company within 30 days; and
2. pay the pro rata additional premium for the acquired property.

The limit of this coverage is 25% of the total insurance for all articles in that class or \$10,000, whichever is the less.

This coverage will cease as to the newly acquired property if you have not reported that property to us within 30 days of your acquisition of the property.

LOSS SETTLEMENT

The total insurance for all articles in a class will be reduced in the event of a total loss of a scheduled article in that class. We will refund the unearned premium applicable to such article after the loss, or you may apply it to the premium due for the replacement of the scheduled article.

Loss or damage to covered property will be settled at replacement cost without deduction for depreciation, but for no more than the smallest of the following:

1. the amount of insurance for which the article is scheduled;
2. for property that is repairable or restorable, the amount actually and necessarily spent to repair or restore the property for equivalent construction or fabrication with materials of like kind and quality;
3. the amount necessary to replace the article with an article of like kind and quality; or
4. the loss to the interest of the **insured** in the property.

When the identical article is no longer manufactured or is not available, replacement cost shall mean the cost of a similar article to that damaged or destroyed and which is of comparable quality and usefulness.

In case of total loss of an article or articles of a set we will pay you the full amount of the set upon your surrender to us of any remaining articles of the set.

FINE ARTS

If repair of the article would reduce the value below the amount scheduled on this endorsement, we will pay the scheduled amount of insurance for the article.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

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This endorsement will extend coverage as noted to the premises where you temporarily reside during the course of construction if that premises is shown as an additional premises on the Declarations. You must advise us if you should move from one premises to another.

SECTION I - PROPERTY COVERAGE

Coverages A and B do not apply to the premises, if any, shown as an additional premises on the Declarations where you temporarily reside during construction.

Special Limits While **Dwelling** is in Course of Construction

Coverage A - (**Dwelling**)

For a **dwelling** in the course of construction, the Coverage A **stated limit** is based on your estimate of the replacement cost of the **dwelling** on the date construction will be completed. Your estimate will be the Coverage A **stated limit**. You must advise us and update this estimate during the course of construction.

While the **dwelling** is in the course of construction, the actual amount of Coverage A insurance on any date will be a percentage of the Coverage A **stated limit**. We will call this amount the proportional **stated limit**. This proportional **stated limit** is the percentage proportion that the **actual cash value** of the **dwelling** just prior to the loss or damage bears to the estimated replacement cost of the **dwelling** when construction is completed, measured just prior to the loss or damage. In the event of covered loss or damage, the amount of insurance will be this proportional **stated limit**. The proportional **stated limit** cannot exceed the Coverage A **stated limit**.

Example 1: You initially estimate the replacement cost to be \$200,000. You select this amount as the Coverage A **stated limit**. A total loss to the **dwelling** occurs. Just prior to the loss the **actual cash value** of the **dwelling** is \$100,000 and the actual revised estimate of replacement cost is \$200,000. We will pay 50% ($\$100,000 / \$200,000$) of the Coverage A **stated limit**, or \$100,000. Your actual loss is \$100,000 and we will pay \$100,000.

Example 2: You initially estimate the replacement cost to be \$200,000. You select this amount as the Coverage A **stated limit**. A total loss to the **dwelling** occurs. Just prior to the loss the **actual cash value** of the **dwelling** is \$300,000 and the actual revised estimate of replacement cost is \$400,000. You have not updated the Coverage A **stated limit** to reflect the actual revised estimated replacement cost. We will pay 75% ($\$300,000 / \$400,000$) of the Coverage A **stated limit**, or \$150,000. Although your actual loss is \$300,000 we will only pay \$150,000.

Notwithstanding **SECTION I, B., EXCLUDED CAUSES OF LOSS OR DAMAGE**, exclusions 19a, 19c and 19j, this policy provides \$15,000 for theft of building/construction materials and supplies. The materials and supplies must be:

- a. on or adjacent to the **residence premises**; and
- b. intended for, or used in, the construction of the **dwelling** and/or a **separate structure(s)**.

This limit does not increase the Coverage A **stated limit**. The policy deductible applies to any covered theft.

Coverage B - (**Separate structures**), the following is added:

In the event of loss or damage to a **separate structure**, the Coverage B **stated limit** will apply, whether or not the **separate structure** is in the course of construction.

Coverage C - (**Personal Property**):

If a limit is shown on the Declarations or renewal notice for Coverage C, and if the premises where you temporarily reside during the course of construction of the **dwelling** is shown as an additional premises on the Declarations, then the following **Special Limits On Certain Personal Property** will not apply to that premises:

1. **Property Usually Located at an Insured's Residence Other Than the Residence Premises.**

Coverage D - (**Loss of Use**)

If a limit is shown on the Declarations or renewal notice for Coverage D, then the amount of Coverage D available for any loss will be based on the same percentage proportion used to determine the amount of Coverage A available for the loss or damage to the **dwelling**. But, we will not reimburse more than the Coverage D **stated limit**.

Example: You initially estimate the replacement cost of your **dwelling** under construction to be \$200,000. You select this amount as the Coverage A **stated limit**. Your Coverage D **stated limit** is \$80,000. A total loss to the **dwelling** under construction occurs. Just prior to the loss the **actual cash value** of the **dwelling** is \$100,000 and the actual revised estimate of replacement cost is \$200,000. We will pay 50% (\$100,000 / \$200,000) of the Coverage A **stated limit**, or \$100,000, for loss to the **dwelling**. Your actual loss is \$100,000 and we will pay \$100,000 under Coverage A. Since the proportional percentage is 50%, the amount of Coverage D is \$40,000 (50% X \$80,000).

Coverage D will be applied as follows:

1. Loss to the **dwelling** under construction:

If there is a loss to the **dwelling** under construction, and this loss causes a delay in the construction, then this limit will be available. This limit pays for reimbursement of additional living expense that you incur because of the delay in the construction, if needed. If this endorsement was issued because your **dwelling** sustained a total loss and is being reconstructed, this limit is in addition to the loss of use limit available for the initial total loss event to the **dwelling**.

2. Loss to that part of the **residence premises** under construction that is or will be rented to others:

If there is a loss to that part of the **residence premises** that is or will be rented or held for rental to others while it is being constructed, and this loss causes a delay in the construction, then this limit will be available. This limit pays for loss of rents, if needed. If this endorsement was issued because your **dwelling** sustained a total loss and is being reconstructed, this limit is in addition to the loss of use limit available for the initial total loss event to the **dwelling**.

The prohibited use benefit does not apply to any loss to the **dwelling**. It does not apply to that part of the **residence premises** that is or will be rented to others while **dwelling** is being constructed.

3. Loss or damage to the residence shown as an additional premises on the Declarations where you are temporarily residing:

If there is accidental direct physical loss or damage to the residence shown as an additional premises on the Declarations, which loss would be covered if it had occurred to the **dwelling**, and this loss makes that residence uninhabitable by you, we will reimburse you for your increase in living expense. The expenses must be incurred by you. The expenses must be reasonable, and they must be necessary. This coverage is subject to the terms of the Additional living expense benefit. This coverage applies for one month only.

The **Loss of rents** and **Prohibited use** benefits do not apply to this additional premises.

SECTION I - EXTENSIONS OF COVERAGE, the following extensions of coverage do not apply while the **dwelling** is in the course of construction:

2. **Extended replacement cost** - Coverage A.
4. **Building ordinance or law**.

SECTION I - EXCLUDED CAUSES OF LOSS OR DAMAGE, the following exclusion does not apply while the **dwelling** is in the course of construction:

21. Vandalism or malicious mischief or arson if the **dwelling** is vacant.

SECTION II - LIABILITY EXCLUSIONS

The following exclusion is added:

We do not cover **bodily injury, property damage or personal injury** which arise from the activities of:

- a. professionals;
- b. trades;
- c. designers;
- d. contractors;
- e. subcontractors;
- f. laborers;
- g. vendors;
- h. any employee of any of these.

This includes, by way of example but is not limited to architects, plumbers, roofers, electrician, drywallers and framers, who are involved in any direct or indirect activity in construction of the **dwelling**.

PROVISIONS APPLYING TO THE ADDITIONAL PREMISES WHERE YOU TEMPORARILY RESIDE DURING THE COURSE OF CONSTRUCTION OF THE DWELLING

For purposes of this endorsement and during the period of time that the **dwelling** is in the course of construction, reference to the **residence premises** in the specified sections of this policy which are set forth below shall also mean the premises which is shown as an additional premises on the Declarations. This additional premises is the place where you temporarily live during the course of construction.

Under no circumstances do we extend Coverage A, B, or coverage under **Limited Water Coverage**, subsection d to the additional premises.

Definitions:

13. **Household appliance**;
18. **Noxious substance**;
24. **Plumbing system**; and
27. **Residence employee**.

SECTION I - TYPES OF PROPERTY INSURED, Coverage C (Personal Property), subsection 1.

4. **Business property, other than electronic data processing equipment.**

SECTION I - TYPES OF PERSONAL PROPERTY NOT INSURED, subsections 6. and 9.

SECTION I - EXTENSIONS OF COVERAGE:

1. **Limited Water Coverage**, subsection a.;
3. **Contents Replacement Cost - Coverage C**, subsections c. (7), (8) and (9);
9. **Identity Fraud**, subsection e. (3); and
11. **Food Spoilage.**

SECTION I - UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE, Part B. Excluded Causes of Loss or Damage:

15. **Power Interruption**;
19. **Theft**, subsections f, h. and i.; and
23. **Smog, Smudging or Smoke.**

SECTION I - PROPERTY CONDITIONS, item 11. **Vacancy**.

SECTION II - LIABILITY EXCLUSIONS,

1. Any Insured or other Residents of the **Residence premises**;
15. Aircraft, motor vehicles, or watercraft, subsections b. (2) and (3).
Subsection 15.c. also does not apply to any watercraft while stored on the additional premises shown on the Declarations where you temporarily reside during the course of construction of the **dwelling**.

GENERAL CONDITIONS APPLYING TO THE ENTIRE POLICY, item 9. **Assignment and Death**, subsection a.

This endorsement will automatically terminate:

- a. 30 days after a certificate of occupancy or other similar document is issued, or
- b. the **dwelling** is ready for occupancy.

You agree to notify us when the **dwelling** is ready for occupancy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

**INCREASED SPECIAL LIMITS
ON CERTAIN PERSONAL PROPERTY**

J6254
1st Edition

For an additional premium, the limits shown in your policy under Coverage C - Special Limits on Certain Property are changed as follows. The categories of personal property designated by an ☒ below, are increased by the amount shown for that category.

Increased Amount

- ☒ 2. Theft of jewelry, watches, precious and semi-precious stones and furs, including articles for which fur represents the principal value. This applies even if such items are considered art work or used as decoration.

The per article limit is increased to \$2,500 and the total limit is increased by:

\$ @@@@@@@@

- ☒ 3. Theft of firearms, including their scopes or mounts whether attached or not, and all other firearm related equipment and ammunition.

The limit is increased by:

\$ @@@@@@@@

- ☒ 5. Computers and electronic data processing equipment and accessories and recording or storage media used with the foregoing, whether or not it is **business property**. Computers, electronic data processing equipment, and recording or storage media that cannot be replaced with other of like kind and quality on the current retail market is not covered.

This limit is increased by:

\$ @@@@@@@@

- ☒ 7. Securities, deeds, evidences of debt, letters of credit, notes other than bank notes, documents, manuscripts, passports, tickets, stamps and stamp collections. This limit includes the costs to research, replace or restore the information from the lost or damaged material.

This limit is increased by:

\$ @@@@@@@@

- ☒ 8. Theft of silverware, gold ware, platinumware and pewter ware, including articles for which such metal represents the principal value.

This limit is increased by:

\$ @@@@@@@@

The increased coverage amounts shown above do not increase the Coverage C stated limit. All other provisions of this policy apply.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

ENDORSEMENT EXCLUDING BODILY INJURY
CAUSED BY ANIMALS

J6256
1st Edition

Effective
Date: @@-@@-@@@@

@@@@@-@@-@@
Policy Number
of the Company designated
in the Declarations

It is agreed that coverage provided by this policy under Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) does not apply to **bodily injury** caused by any animals or creatures owned by or entrusted to any **insured**. This includes by way of example but is not limited to mammals, birds, fish, reptiles, insects and spiders.

This exclusion also applies to **bodily injury** resulting from the negligent entrustment of any animal by any **insured** to any other person.

Accepted by: _____
Named Insured

Date: _____

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Countersigned *Robert W. [Signature]*
Authorized Representative

ENDORSEMENT EXCLUDING BODILY INJURY
CAUSED BY ANIMALS

J6256
1st Edition

Effective
Date: @@-@@-@@@

@@@@@-@@-@@
Policy Number
of the Company designated
in the Declarations

It is agreed that coverage provided by this policy under Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) does not apply to **bodily injury** caused by any animals or creatures owned by or entrusted to any **insured**. This includes by way of example but is not limited to mammals, birds, fish, reptiles, insects and spiders.

This exclusion also applies to **bodily injury** resulting from the negligent entrustment of any animal by any **insured** to any other person.

Accepted by: _____
Named Insured

Date: _____

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Countersigned *Robert W. Winters*
Authorized Representative

PREMISES RENTED TO OTHERS FOR SOLE USE AS A PRIVATE RESIDENCE-
COVERAGE E (PERSONAL LIABILITY)
COVERAGE F (MEDICAL PAYMENTS TO OTHERS)

J6257
1st Edition

For an additional premium, this endorsement extends coverage under Section II - Liability coverage to the following locations rented to others by an **insured** for sole use as a private residence:

Location 1

No. of Families: @

Location 2

No. of Families: @

Location 3

No. of Families: @

Location 4

No. of Families: @

Location 5

No. of Families: @

Location 6

No. of Families: @

Location 7

No. of Families: @

Rental of the above premises is not considered to be a **business** pursuit.

The following exclusions under **SECTION II - LIABILITY EXCLUSIONS** do not apply to the locations listed above:

- 7. Rental property
- 11. Other locations

All other provisions of this policy apply.

This is not additional insurance.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Keep with your policy showing the same policy number as this endorsement.

**ENDORSEMENT ADDING
PERSONAL WATERCRAFT COVERAGE**

J6259
2nd Edition

Effective

Date: 00-00-0000

00000-00-00

Policy Number

For additional premium, we agree to insure you for the **personal watercraft** and trailers scheduled below. The limits shown below apply only to the **personal watercraft** and trailers scheduled. The **stated limits** and other limits in the underlying policy do not apply.

SCHEDULE OF COVERAGES AND LIMITS OF INSURANCE

Premium	Physical loss or damage with deductible to	Limit of Insurance
Watercraft 1 \$ @@@@@@@@@@	the insured property as described below	1. \$ @@@@@@@@@@
Watercraft 2 \$ @@@@@@@@@@		2. \$ @@@@@@@@@@
Watercraft 3 \$ @@@@@@@@@@		3. \$ @@@@@@@@@@
\$ @@@@@@@@@@	Physical loss or damage to the trailer used with personal watercraft as described below	\$ @@@@@@@@@@
\$ @@@@@@@@@@	Personal Liability	\$ @@@@@@@@@@ each occurrence
\$ @@@@@@@@@@	Medical Payments to Others	\$ 1,000 each person \$ 3,000 each occurrence
\$ @@@@@@@@@@	Total Annual Premium	

DESCRIPTION OF INSURED PROPERTY

	Year Built	Manufacturer - Serial Number	Owner (if other than insured)
Personal Watercraft	1. @@@@	@@ @@	@@ @
	2. @@@@	@@ @@	@@ @
	3. @@@@	@@ @@	@@ @
Trailers	@@@@	@@ @@	@@ @

Loss is payable as interests are shown below.

1. **Personal watercraft 1: Mortgagee, Lienholder or Other Interest:**

@@
@@
@@
@@
@@@@@ - @@@@

2. **Personal watercraft 2: Mortgagee, Lienholder or Other Interest:**

@@
@@
@@
@@
@@@@@ - @@@@

3. **Personal watercraft 3: Mortgagee, Lienholder or Other Interest:**

@@
@@
@@
@@
@@@@@ - @@@@

ADDITIONAL DEFINITION

For purposes of this endorsement, **personal watercraft** includes personal property that is:

1. a jet ski;
2. a wet bike; or
3. similar water jet driven craft under 12 feet in length.
4. used for recreational purposes only; and
5. operated by a person sitting, or standing, or kneeling on the craft.

COVERAGE EXTENSIONS

Coverage is extended to:

1. Any **personal watercraft** or trailer that you buy or lease in place of any **personal watercraft** or trailer scheduled herein. Any lease must be written and for a period of at least six months. You must buy or lease the replacement item during the policy period. You must notify us within 30 days of the date you buy or lease it. It will have the same coverage as the scheduled item it replaces, until it is scheduled.
2. Any additional **personal watercraft** or trailer which you buy or lease during the policy period. Any lease must be written and for a period of at least six months. You must notify us within 30 days of the date you buy or lease it. When you buy or lease, all your other **personal watercraft** and trailers must be insured with a member company of the Farmers Insurance Group of Companies. The coverage for this item will be the same as the highest limit for a similar item above, until it is scheduled.
3. Any person using a covered **personal watercraft**, with your consent, as an **insured**.

DEDUCTIBLE

The deductible shown in the schedule above will apply to property insured herein.

AMENDMENTS TO SECTION I - PROPERTY COVERAGE

For purposes of this endorsement:

1. **Special Limits on Certain Personal Property**, item 11. **Watercraft and windsurfers**, does not apply to **personal watercraft** and trailers insured herein.
2. **TYPES OF PERSONAL PROPERTY NOT INSURED**, items 4. and 5. do not apply to **personal watercraft** and trailers insured herein.
3. If **Extensions of Coverage, Contents Replacement Cost - Coverage C** applies, then item c.(10) watercraft will include **personal watercraft** and trailers insured herein.
4. **SECTION I - UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE**, section A. **Uninsured Types of Loss or Damage**, the following does not apply to the **personal watercraft** and trailers insured herein.
 6. **Breakage, impairment, corruption or failure of personal property.**
5. **SECTION I - UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE**, section A. **Uninsured Types of Loss or Damage**, the following is added with respect to **personal watercraft** and trailers insured herein.
 1. We do not insure loss or damage to wood, fiberglass, plywood or any composite material consisting of, composed of, or which is:
 - a. weathering;
 - b. unseaworthiness;
 - c. bubbling;
 - d. osmosis; or
 - e. delamination.

6. **SECTION I - UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE**, section **B. Excluded Causes of Loss or Damage**, the following do not apply to **personal watercraft** and trailers insured herein:

19. h. **Theft**;

26. b. **Windstorm or hail**.

7. **SECTION I - UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE**, section **B. Excluded Causes of Loss or Damage**, the following is added with respect to **personal watercraft** and trailers insured herein.

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from:

1. Marine life, unless caused by collision with marine life;
2. freezing or extremes of temperature;
3. road hazard damage to tires or tubes;
4. servicing, unless fire ensues. We only insure the loss or damages from the fire;
5. dishonesty of an **insured's** employees;
6. dishonesty of other persons to whom a **personal watercraft** or trailer is entrusted;
7. ice; or
8. failure to maintain the **personal watercraft** or trailer.

AMENDMENTS TO SECTION II - LIABILITY COVERAGE

For purposes of this endorsement, **Coverage F (Medical Payments to Others)** applies as follows with regard to **personal watercraft**:

1. to any **insured** if the **bodily injury** arises out of the use of property insured herein; or
2. to any **insured** if the **bodily injury** arises out of the use of any **personal watercraft** not insured herein. The insured must have enough reason to believe that the use is with the permission of the owner. There is no coverage if the other **personal watercraft** is owned by any **insured**, and there is no coverage if the other **personal watercraft** is available for any **insured's** regular use.

This coverage does not apply to:

1. any person who is not an **insured**;
2. **bodily injury** to an **insured** if caused by any trailer towed by, or attached to or carried on a **motor vehicle**; or
3. **bodily injury** to an **insured** if it arises any form of water skiing, water sledding, or para-sailing.

For purposes of this coverage, **bodily injury** only includes physical harm to the body of an **insured**.

SECTION II - LIABILITY EXTENSIONS OF COVERAGES, the following is added:

1. **Claim expenses**

- e. premiums on bonds to release attachments in any such suit for an amount not more than the Personal Liability limit of insurance. We are not obligated to apply for a bond. We are not obligated to furnish a bond.

SECTION II - LIABILITY EXCLUSIONS, Exclusion, 15. Aircraft, Motor Vehicles or Watercraft, subsection c. (1) and (4) do not apply to:

1. **personal watercraft** and trailers insured herein; or
2. **personal watercraft** used by an **insured** but not insured in this endorsement. **Exclusion 15.** will still apply to **personal watercraft** owned by any **insured**, except **personal watercraft** insured herein, or those available for any **insured's** regular use. Coverage extends only if the **insured** has sufficient reason to believe the use of any non-owned **personal watercraft** is with the permission of the owner.

SECTION II - LIABILITY EXCLUSIONS, the following exclusion is added with respect to **personal watercraft** and trailers:

We do not cover:

bodily injury or property damage resulting from, arising from or in connection with the operation of any of the following:

1. a watercraft repair shop;
2. a sales agency;
3. a service station; or
4. any similar organization.

GENERAL CONDITIONS APPLYING TO THE ENTIRE ENDORSEMENT

1. Other Insurance

- a. If there is other valid and collectible physical damage insurance on the **personal watercraft** or trailers insured herein, we will pay only our share. This is the proportion that our limit bears to the total of all limits.
- b. This insurance is excess over other valid and collectible Personal Liability insurance.
- c. If any applicable insurance other than this policy is issued to you by us or any other member company of the Farmers Insurance Group of Companies, the total amount payable among all such policies shall not exceed the **stated limit** or other limit that provides the highest limit of insurance.

2. Territory

This coverage applies only to **occurrences** and loss or damage during the policy period shown in the Declarations. Any **occurrence** or loss must occur in the Western Hemisphere.

3. Private Pleasure Use

You warrant that the **personal watercraft** or trailers insured in this endorsement will be used solely for private pleasure purposes. You warrant that they will not be hired by or chartered to others without our prior written consent.

We do not cover **bodily injury** or **property damage** arising from, during the course of or in connection with any **personal watercraft** or trailers, while used to carry persons for a charge. This condition also applies when the item is rented to others. This condition also applies when the item is used for illegal purposes.

4. Competitive Event

We do not cover any **personal watercraft** and trailers, while being operated in or practicing for any race, speed contest or competitive event. This condition applies whether or not the event is organized or not organized. This condition applies whether the event is professional or amateur.

5. Limits.

Section I - Property Insurance.

Section II - Liability Insurance.

- a. The Section II - Liability Coverage **stated limits** in the underlying policy do not apply to an **occurrence** involving any **personal watercraft** or trailer insured herein. The only Personal Liability and Medical Payments to Others limits that apply to an **occurrence** involving **personal watercraft** are those limits shown in this endorsement. All other liability terms and conditions do apply.
- b. The limit of insurance for Personal Liability in this endorsement is both the per **occurrence** and the **annual aggregate limit**. The **annual aggregate limit** means the total we will pay under this endorsement for all covered **occurrences** combined which happen in the policy period. This limit applies regardless of the number of such:

1. **occurrences;**
 2. loss events;
 3. **insureds;**
 4. claimants;
 5. **personal watercraft;** or
 6. trailers involved.
- c. Payments under the Personal Liability and Medical Payments to Others coverages shown in this endorsement are part of and subject to the Personal Liability **annual aggregate limit**.
- d. The limit of insurance for Medical Payments to Others is the most we will pay under this endorsement for all necessary medical services for **bodily injury** to any one **insured** for any one **occurrence**.
- e. **Personal injury** coverage, if indicated, does not apply to coverage provided under this endorsement.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

**BASIC EARTHQUAKE ENDORSEMENT -
NEXT GENERATION HOMEOWNERS POLICY**

J6261
1st Edition

Policy Number: @@@@-@@-@@

Effective Date: @@-@@-@@@

For an additional premium, we cover direct physical loss or damage caused by **earthquake** to the following types of **SECTION I - PROPERTY**:

- Coverage A (**Dwelling**);
- Coverage B (**Separate Structures**);
- Coverage C (**Personal Property**);
- Coverage D (**Loss of Use**).

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Coverage provided in **SECTION II - LIABILITY, EXTENSIONS OF COVERAGE, 4. Loss Assessment Coverage** applies to **earthquake**.

This endorsement does not increase the **stated limits** in the policy.

For purposes of this **earthquake** endorsement only, the definition of 11. **Earth movement** does not include **earthquake** including land shock waves or tremors before, during or after a volcanic eruption.

One or more **earthquake** shocks occurring within a *seventy-two hour* period will be considered a single **earthquake**.

Limits of Insurance

The Coverage B, C and D **stated limits** will not apply to loss caused by **earthquake**. Payment for loss caused by **earthquake** will not exceed the limits shown below:

Coverage A (**Dwelling**) will not exceed the Coverage A **stated limit** shown in the Declarations or renewal notice, whichever is more recent;

Coverage B (**Separate Structures**) - \$1,000;

Coverage C - (**Personal Property**) - \$2,000;

Coverage D (**Loss of Use**) - \$2,500, including a maximum of \$1,500 for **Additional living expense**.

SECTION II - LIABILITY, EXTENSIONS OF COVERAGE, 4. Loss Assessment Coverage - \$1,000.

For loss to Coverage A (**Dwelling**) property, we will only pay that part of the loss over ____% of the Coverage A (**Dwelling**) **stated limit** shown in the Declarations or renewal notice.

For purposes of this **earthquake** endorsement only, **SECTION I - PROPERTY, UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE** is modified as follows:

A. Uninsured types of loss or damage:

- 6. **Breakage, impairment, corruption or failure of personal property** - the peril of **earthquake** is added as a covered cause of loss;
- 8. **Marring** - the peril of **earthquake** is added as a covered cause of loss;
- 12. **Movement, settling, cracking, bulging, shrinking, heaving or expanding** - the peril of **earthquake** is added as a covered cause of loss.

B. Excluded Causes of Loss or Damage, the following excluded causes of loss or damage do not apply to this **earthquake** endorsement:

- 1. **Earth Movement**. **Earth movement** does not include **earthquake**;
- 29. **Collapse**. **Collapse** does not include **earthquake**;
- 34. **Movement, settling, cracking, bulging, shrinking, heaving or expanding**. This exclusion does not include **movement, settling, cracking, bulging, shrinking, heaving or expanding** if the result of **earthquake**.

In **SECTION I - EXTENSIONS OF COVERAGE**, the following extensions of coverage do not apply to this **earthquake** endorsement:

2. **Extended replacement cost - Coverage A**
4. **Building ordinance or law.**

In **SECTION I - UNINSURED LOSS OR DAMAGE and EXCLUDED CAUSES OF LOSS OR DAMAGE**, the following language is added:

We do not cover loss:

1. Caused directly or indirectly by flood of any nature, waves, or tidal **water**, whether resulting from, contributed to or made worse by **earthquake**.
2. To exterior masonry veneer other than stucco. The value of exterior masonry veneer will be deducted before applying the deductible. For the purpose of this exclusion, stucco is not considered masonry veneer.

☐ @ If this box is "X'd," exclusion 2 does not apply.

Deductible

No deductible applies to loss covered under this endorsement for **SECTION I - Coverage D (Loss of Use)** or **SECTION II - LIABILITY, EXTENSIONS OF COVERAGE, 4. Loss Assessment Coverage**.

The policy deductible does not apply to coverage provided under this endorsement.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

**RESIDENCE GLASS -
WAIVER OF DEDUCTIBLE ENDORSEMENT**

J6260
1st Edition

For an additional premium, we insure accidental direct physical loss or damage, without deductible, to glass attached to your **dwelling** and **separate structures**.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

**SEPARATE STRUCTURES RENTED TO OTHERS
ON THE RESIDENCE PREMISES**

J6262
1st Edition

Policy Number: @@@@-@@-@@

Effective Date: @@-@@-@@@

For an additional premium, we cover accidental direct physical loss or damage to the **separate structure(s)** shown below, for the limit(s) of insurance shown below.

The **separate structure(s)** shown below are rented or held for rental for use as a private residence(s) only and are included in the definition of **residence premises**.

1. Description of **Separate Structure**:

@@

Limit of Insurance: @@@@@@@@@@

2. Description of **Separate Structure**:

@@

Limit of Insurance: @@@@@@@@@@

3. Description of **Separate Structure**:

@@

Limit of Insurance: @@@@@@@@@@

SECTION I - PROPERTY COVERAGE
Coverage B (Separate Structures)

This coverage only applies to accidental direct physical loss or damage to the above described **separate structures(s)** under Coverage B if a limit of insurance is shown. Loss or damage to the above described **separate structures** is subject to this limit.

The Coverage B **stated limit** does not apply to the above described **separate structures**.

SECTION II - LIABILITY COVERAGE
Coverage E (Personal Liability)
Coverage F (Medical Payments to Others)

For purposes of this endorsement only, under Coverage E (**Personal Liability**) and Coverage F (**Medical Payments to Others**), the **separate structures** shown above are included in the definition of **residence premises**.

LIABILITY EXCLUSIONS

The following liability exclusions do not apply to the **separate structure(s)** described above:

2. **Business**, as it applies to the rental of the **separate structure(s)** described above.
7. **Rental property**.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of this policy.

**SEWER AND DRAIN WATER DAMAGE COVERAGE
ENDORSEMENT**

J6263
1st Edition

Policy Number: @@@@-@@-@@

Effective Date: @@-@@-@@@@

A. COVERAGE

For an additional premium, we agree to provide limited coverage for direct physical loss or damage to covered property from direct contact with **water**, but only if the **water**:

1. results from a sudden and accidental discharge, eruption, overflow or release of **water** from within any portion of:
 - a. a **plumbing system** located on the **residence premises**;
 - b. a sump or sump pump or sump pump well located on the **residence premises**; or
 - c. any system on the **residence premises** designed to remove or drain sub surface **water** away from the foundation area of any **building structure** on the **residence premises**; and
2. a. is a **water- reverse flow**; or
b. is from below the surface of the ground, whether natural or otherwise.

This coverage does not apply if either 2. a. or 2. b. is caused by or results from flood, including debris flow and mud flow, any form of surface **water**, waves, tsunami, seiche, tidal **water**, tidal waves, storm surge or overflow or escape of a body of **water**, or spray from any of these, whether or not driven by wind.

B. COVERAGE CONDITIONS

SECTION I - EXTENSIONS OF COVERAGE, **Limited water coverage**, items 1.b., c., d., and f. shall also apply to define, condition, limit and exclude loss or damage potentially covered under this endorsement for sudden and accidental discharges, eruptions, overflows or releases of **water** from a **plumbing system**, sump, sump pump or sump pump well, or any system designed to remove or drain sub surface **water** away from the foundation area of any **building structure**.

We do not cover loss or damage to any system, sump, sump pump or sump pump well from which the **water** discharged, erupted, released or overflowed.

This coverage does not apply if:

1. the loss or damage is caused by your negligence; or
2. the loss or damage occurs, or is in progress, within the first 5 days of the inception of this endorsement.

However, this provision does not apply when the coverage is continued as part of your policy renewal.

The limited coverage for **water** damage as provided under this endorsement is:

- a. subject to all the policy terms, exclusions, deductibles, and conditions; and
- b. an exception to **SECTION I - UNINSURED TYPES OF LOSS OR DAMAGE**, 1. **Water damage** and **EXCLUDED CAUSES OF LOSS OR DAMAGE**, 2. **Water**.

C. COVERAGE LIMITS

SPECIFIC AGGREGATE COVERAGE LIMIT

The aggregate limit of insurance coverage provided by this endorsement for any one loss event is the amount shown below.

Coverage limit \$ @@@@@@@@@@ per loss.

This is not additional insurance and does not increase the **stated limits** or any other limit of insurance. The coverage provided under this endorsement does not apply to any claim for direct physical loss or damage from direct contact with **water** which would be covered under **SECTION I - EXTENSIONS OF COVERAGE**, 1. **Limited water coverage**.

The policy deductible applies.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

**PHYSICIANS, SURGEONS, DENTISTS AND
VETERINARIANS AWAY FROM PREMISES ENDORSEMENT
(SECTION I ONLY)**

J6264
1st Edition

Amount of

Insurance: @@@@@@@@@@

Policy Number: @@@@@ - @@ - @@

For an additional premium, we insure accidental direct physical loss or damage to the following types of personal property, subject to the limit shown above, only when this personal property is not on or in any premises owned, rented, occupied or controlled by you:

1. surgical, medical, dental and veterinarians instruments, apparatus and books;
2. medicine and drugs; and
3. the bag and kit the above are contained in.

In **SECTION I - TYPES OF PROPERTY INSURED, Special Limits On Certain Personal Property**, the following special limit does not apply to the types of personal property listed above:

4. **Business property, other than electronic data processing equipment, media and data.**

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.